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Southeast Asia Report



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4 October 1985

SOUTHEAST ASIA REPORT

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INDONESIA

DAILY REACTS TO CPC REGRET OVER EXECUTION

BK121510 Jakarta THE INDONESIA TIMES in English 7 Sep 85 p 1

[Editorial: "Beware of Chinese Communist Party's Agents"]

[Text] In spite of the statements and assurances to the contrary, the Chinese Communist Party is still supporting and protecting the banned Communist Party of Indonesia (PKI). This can be deduced from the deep regret it expressed on the carrying out by the Indonesian Government the death sentences passed by the competent Indonesian courts on the banned PKI leaders, namely Gatot Sutaryo, Joko Untung and Rustomo, due to their involvement in the PKI abortive coup of 1965.

The official Chinese news agency, the NCNA, relayed on Tuesday a statement from a spokesman of the Chinese Communist Party that "We regret very much the inhuman act (of carrying out the execution) of the Indonesian officials."

Now that Indonesia and China have opened direct trade relations, we must remain careful about the possibility of infiltration by the agents of the Chinese Communist Party to help communist underground movement in Indonesia. They may disguise themselves as Chinese traders and businessmen or as staff of a Chinese trade delegation.

We are facing a difficult time in Indonesia. Under this circumstance, a Chinese communist agent can, with comparative ease, stir the feelings of the people and engineer unrest in the country. Especially another [as published] we are approaching the 1987 general elections.

There our Immigration Department, intelligence and security apparatus should keep this in mind and undertake necessary measures and precautions to prevent the agents from entering Indonesia.

CSO: 4200/1543

INDONESIA

MPS HAIL BOB HAWKE'S STATEMENT ON EAST TIMOR

Jakarta ANTARA NEWS BULLETIN in English 21 Aug 85 pp A2, A3

[Text] Jakarta, Aug 20 (ANTARA)—Parliamentarians here expressed the hope Tuesday that Australian Prime Minister Bob Hawke's statement recognising Indonesia's sovereignty over East Timor was not mere lip service, but would step up the good relations between Indonesia and Australia.

The vice chairman of the House Foreign Affairs Commission, Soebekti, from the Indonesian Democratic Party faction, said that Bob Hawke's statement obviously showed an improvement in Australia's attitude toward East Timor's integration into Indonesia.

He could well understand the delay in the recognition in view of the negative stance that had deminated some of the Congress members from the Labour Party.

Soebekti hoped that the question of East Timor will no longer be included in the agenda of the United Nations general assembly session.

He attributed the Australian recognition to the successful development programs in Indonesia.

Meanwhile, H. Amin Iskandar from the United Development Party who is also member of the Commission, said that Australia's attitude was understandable because he was confident that Australia will always agree with the Indonesian government's standpoint and actions.

Australia as a close neighbour of Indonesia has a common interest with Indonesia, and it has been noted in history to have helped Indonesia gain its independence.

H. Amin Iskandar admitted there is a small group in Australia which has been opposing its government on the matter. They are from some universities, those having World War II history in East Timor and those having businesses in the region.

The chairman of Commission I from the Functional Group, Rusli Desa, said that Australia's recognition of Indonesia's sovereignty over East Timor must not be separated from the efforts of the Indonesian ambassador to that country, August Marpaung, who has indeed been successful in drawing public interest and convincing the Australian government of the truth in East Timor issues, he added.

Another Commission I member from the Functional Group, Theo Sambuaga, hoped that the Australian statement be also addressed to the people of that country.

CSO: 4200/1534

INDONESIA

MOCHTAR OPENS GROUP 77 MEETING

Jakarta ANTARA NEWS BULLETIN in English 19 Aug 85 p A4

[Text] Jakarta, August 19 (ANTARA)—Both developed and developing countries should devise their approaches for their joint struggle to eliminate the gap between them, said Foreign Affairs Minister Prof Dr Mochtar Kusumatmadja.

He said that the present world economic crisis was not merely a cyclical phenomenon but it was more structural in nature causing persistently greater imbalance between the economies of the developed and developing countries.

Speaking at the 4th meeting of the Intergovernmental Follow-up and Coordination Committee of Group 77 (IPCC-IV) here today, he said, 'The solution to this problem could only be made through restructuring of the existing economic system.'

Prof Dr Mochtar added that the time has come for both the developed and developing countries to work more closely and explore practical possibilities to sustain the world economic development.

"What is now urgently needed is a strategy which could lead both parties to a breakthrough of the present stalemate in the North-South negotiations," he said.

He suggested the developing countries to generate necessary enthusiasm and sustain the momentum in implementing their various economic and technical cooperation schemes for promoting self-reliance.

"The economic recovery in certain industrialized countries has failed to stimulate the world economy as a whole, particularly that of the developing countries," said Prof Dr Mochtar.

Many initiatives had been taken for the pooling of the untapped potentials and resources of the developing countries to generate their economic development through cooperation.

However, he said, it did not achieve the desired levels and the developing countries should identify the obstacles that stood in the way of such progress.

"The vast potentials existing in the developing countries should fully be explored. Pragmatic approaches and realistic appraisals must be made in the formulation and implementation of Economic Cooperation among Developing Countries Programmes," he added.

Also present at the opening ceremony were Minister/Secretary of the Cabinet Moerdiano, ambassador of the Arab Republic of Egypt to Indonesia Waqih Rushdywho, representing the Chairman of the Group 77 Ahmed Tawfik Khalil and P.M.S. Malik on behalf of the Non-Aligned Movement Chairman Rajiv Gandhi.

CSO: 4200/1534

INDONESIA

NUCLEAR RESEARCH COOPERATION WITH FRG TO BE STEPPED UP

Jakarta ANTARA NEWS BULLETIN in English 22 Aug 85 p A4

[Text] Jakarta, Aug 21 (ANTARA)—A three-day seminar on nuclear research cooperation between Indonesia and West Germany ending here Wednesday concluded that bilateral cooperation between the two countries should be promoted in order to increase utilization of the Serpong Multi-Purpose Reactor (RSG) in West Java.

The seminar which was opened by Engineer Djali Ahimas, Director General for the National Atomic Energy Agency (BATAN), was attended by, among others, 15 experts from various West German research centres and industries.

The participants to the seminar also made a series of survey tours of the Batan research centres in Jakarta, Bandung (West Java), Yogyakarta (Central Java) and Serpong (West Java).

A press release issued by BATAN Wednesday revealed that the joint research project between Indonesia and West Germany can be realized when RSG which is designed by West German Interatom GmbH is completed by the end of 1987.

CSO: 4200/1534

INDONESIA

VALUE OF NONOIL, NONGAS EXPORTS UP

Jakarta ANTARA NEWS BULLETIN in English 21 Aug 85 p A9

[Text] Jakarta, August 21 (ANTARA)—Indonesian non-oil/non-gas commodities in the first five months (January through May) of 1985 recorded an increase in export value of about 0.7 percent compared with the same period in 1984.

Temporary data obtained by ANTARA from Bank Indonesia Wednesday showed that the export value of non-oil/non-gas commodities in the first five months of 1984 stood at 2,311 million US dollars, while that of the corresponding period of 1985 at US\$ 2,327 million, an increase of about US\$ 16 million or 0.7 percent.

Export commodities from Indonesia during that period covered timber, rubber, coffee, tin, copper, nickel, palm-oil, frozen prawns, tobacco, tapioca, handicraft products, rattan, pepper, cement, fertilizers and electronic goods.

Timber, including plywood and sawn timber, took first place as top foreign exchange earner with US\$ 370.46 million, followed by rubber in second place with US\$ 237.16 million, handicraft products US\$ 170.77 million, coffee US\$ 163.46 million, tin US\$ 74.19 million and frozen prawn US\$ 56.24 million.

For the greater part these commodities were exported to Japan, the US, the countries of the European Economic Community, such as Britain, the Netherlands, and France, further to Singapore, Hongkong, South Korea as well as the Middle East and the East European socialist countries.

CSO: 4200/1534

INDONESIA

MP CALLS FOR SENDING MORE WORKERS OVERSEAS

Jakarta ANTARA NEWS BULLETIN in English 21 Aug 85 p A4

[Text] Jakarta, Aug 21 (ANTARA)—The number of Indonesian male or female workers abroad should be increased because they bring benefits particularly to help solve the manpower problem in the country, Fachrurary A.H., a parliament member from Commission VIII (dealing with social welfare) said here Tuesday.

Fachrurary pointed out that the despatch of Indonesian workers abroad could increase foreign exchange earnings and also step up the quantity of the country's export to countries where these workers work.

"However, agencies bearing responsibility for the workers despatch have to pay attention to the workers' safety as well as their right and duty," he reminded.

Indonesia, according to him, constitutes one of the successful countries in sending workers abroad, therefore the quality of the workers should also be improved.

The parliamentarian called on companies involved in despatching workers abroad to obey the government's regulation so as to maintain the national reputation.

CSO: 4200/1534

INDONESIA

EXPORTS TO AUSTRALIA UP

Jakarta ANTARA NEWS BULLETIN in English 20 Aug 85 pp A2, A3

[Text] Jakarta, Aug 19 (ANTARA)—Indonesian exports to Australia in the last ten years have shown an average annual increase of 35 percent, starting with an export value of US\$.18.6 million in 1974.

At the Indonesian-Australian Business Cooperation Council (DKSPIA) meeting here Monday, Minister of Industries Hartarto said that Australian exports to Indonesia had shown only an average annual increase of 9.7 percent in the same period.

During that decade the balance of trade between the two countries has been more in favour of the Australian side, whose exports stood at US\$140.1 million in 1974.

In the last three years however, Indonesia's trade with Australia has shown a surplus viz. US\$.17 million in 1980, US\$338 million in 1982 and US\$.31 million in 1984.

Indonesia's export commodities cover among others oil products, coffee, tin, tea, rubber and wood products.

The minister expressed the hope that textiles and garments could also be developed as Indonesia's potential export commodities beside cement, glass, fertilizers and products of the chemical industry.

Export commodities from Australia to Indonesia on the other hand are wheat, meat, wool, milk products, iron ore, copper, bauxite, coal and non-ferrous metals.

Manufacturing industrial products from Australia which have access into the Indonesian market are among others, steel products, machineries and transportation equipment.

Big Opportunity

Between Indonesia and Australia there exists a great opportunity for expanding cooperation, in particular in the field of trade, due their position as neighbours, Hartarto said.

He had to admit however, that compared with Australia, the Indonesian per capita income is relatively small, viz about US\$600 per year. But taking Indonesia's big population into consideration, this country opens big opportunities and bright prospects for Australia to expand cooperation, mainly in the economic field.

On capital investment in Indonesia, Australia takes eight place compared with other countries.

Hartarto did not mention the volume of Australian investment in Indonesia but 118 enterprises are at present operating here in the fields of mining, industry, trade, finance, insurance and consultation services.

DKSPIA Chairman Dr F.H. Eman at the meeting said that Minister Hartarto's keynote address would become input data, in particular for Indonesian entrepreneurs who would take part in the joint meeting of the DKSPIA and the AIBCC (Australian-Indonesian Business Cooperation Committee) in Perth, Australia, November 6-7.

The Perth meeting will also be attended by Indonesian Trade Minister Rachmat Saleh to encourage Indonesian exports to Australia, Eman said.

CSO: 4200/1534

INDONESIA

REALIZATION OF TRADE WITH PRC EXPECTED WITHIN 6 MONTHS

Jakarta ANTARA NEWS BULLETIN in English 19 Aug 85 p A2

[Text] Jakarta, August 19 (ANTARA)—General Chairman of the Indonesian Chamber of Commerce and Industry (Kadin) Soekamdani S. Gitosardjono expected the already-signed direct trade commitments (letters of intent) between Indonesia and China will be realized within the next six months.

In his remarks to reporters during a state reception at Merdeka palace Saturday night, Soekamdani expressed his optimism on the realization of direct trade between the two most populated Asian countries.

Following his trade mission to China early July, the general chairman believes the Chinese economy to have greater potential than he previously thought, citing as example the substantial US \$67 billion in foreign exchange reserve China is now holding.

Portraying the increase in Chinese purchasing power, Soekamdani said: "If farmers previously earned only around 40 yuans a month, now their income reaches more than 100 yuans or Rp 70,000 a month."

According to Soekamdani, the only barrier in Indonesian export to China lies on the high transportation expenses.

"Indonesian commodities are actually able to compete with counterparts from other countries. But high transportation expenses (because ships do not carry any Chinese goods on its way back to Indonesia) made Indonesian goods higher in prices," he said.

He added that with the availability of Chinese goods to be carried back to Indonesia, this price problem could be overcome.

An 108-member Indonesian trade delegation consisting of entrepreneurs and Kadin officials in its recent visit to China had secured letters of intent worth approximately US \$365 million in the purchase of Indonesian goods, while the Chinese will export to Indonesia commodities such as cotton and industrial raw materials.

Chairman of the Chinese Council for the Promotion of International Trade (CCPIT) Wang Yaoting has previously promised to Indonesian officials that the Chinese will not launch into the Indonesian market goods which have already been made domestically in Indonesia.

Although the trade transactions were just in the form of intentional commitments, Soekandani was sure that the Chinese is not saying: "China now has special economic zones where trade deals with the foreign partners can be made with permissions from a national marketing body."

Chinese trade delegation, which is now in Indonesia for a 10-day visit since August 9, comprises members representing 15 nationwide companies to embark upon trade talks with their Indonesian counterparts.

According to Soekandani, the Chinese mission aimed to expand trade contacts between the two countries as a follow-up of the Indonesian trade mission to China.

CSO: 4200/1534

INDONESIA

PRC DELEGATION CHIEF SEES BRIGHT PROSPECTS FOR DIRECT TRADE

Jakarta ANTARA NEWS BULLETIN in English 19 Aug 85 pp A1, A2

[Text] Denpasar, August 19 (ANTARA)—Chairman of the Chinese Council for the Promotion of International Trade (CCPIT) Wang Yaoting said Sunday that direct trade between Indonesia and China have bright prospect because of mutual needs.

Speaking to reporters at Ngurah Rai airport, Denpasar, Bali, before leaving for Jakarta, he said the Chinese trade mission to Indonesia, the first in 18 years of frozen diplomatic tie, aims to lay a basis for direct trade links and to get both the Chinese and Indonesian entrepreneurs more familiar with one another.

Touching on industrial and agricultural development in Indonesia, in the past few years, the CCPIT chairman said the country has made a rapid progress as he saw from his visits to a number of industrial plants in Jakarta, Tangerang, West Java and East Java.

He also admitted that during the Indonesian Kadin delegation visit to China early July, the Chinese had signed letters of intent to buy goods worth more than US \$350 million covering the purchases of Indonesian commodities such as rubber, coffee, cocoa, sawn wood, rattan, fertilizer and cement.

Of these, the trade contracts which have been signed cover rattan only, while those for other commodities have not yet been completed because of lack of time.

The itinerary organizing committee actually has given an adequate time, but due to the full schedule, it was hardly possible to have convenient time for concrete trade negotiations, he said.

As for trade contracts of other commodities, Wang promised the deals will be made by other groups that will follow later.

He rejected the opinion that the Chinese failed to realize its trade commitments in the form of "letters of intent" signed in Beijing some time ago.

"The Chinese trade delegation to Indonesia aims to realize the direct trade contracts. If not for that, why should we come to Indonesia," he stated.

Chinese Interest in Steel Plates

In the visit to a Surabaya-based steel industry, PT Jaya Pari Steel (PT JPS) on Saturday, the Chinese delegation appeared to have interest in purchasing Indonesian steel plates.

Deputy President Director of China National Metals and Minerals Shi Guang Seng said the steel plates produced by PT JPS can penetrate the Chinese market because of its good quality.

In efforts to sell steel plates to China, negotiations are now being made to discuss about prices. If a deal is reached, there is a possibility of exporting Indonesian steel plates to China, he said.

President Director of PT JPS Gunawan told the press that PT JPS is national private company with more than Rp 13 billion worth of investment.

Its steel plant, considered the biggest in the ASEAN region with an installed capacity of 10,000 tons has so far exported its products to Singapore, in addition to supplying the domestic markets, notably 1,500 tons for Surabaya and 2,500 tons for Jakarta and Medan. Its production has up to now not yet reached its full capacity.

The 43-member Chinese trade delegation led by the CCPIT chairman has inspected a number of other industrial plants in East Java, notably aluminium and plastic plants and the Rungkut industrial estate.

In Bali, the delegation has toured various tourist resorts and watched local traditional dance performances.

CSO: 4200/1534

INDONESIA

OFFICIAL SAYS COUNTRY STILL OPEN TO FOREIGN INVESTMENT

Jakarta ANTARA NEWS BULLETIN in English 22 Aug 85 pp A1, A2

[Text] Jakarta, Aug 21 (ANTARA)—Indonesia, with its abundant natural resources and political as well as social stability, is still wide open to foreign capital investment, promotion chief of the Investment Board (BKPM) Budi Hartantyo told the opening of a two-day seminar here today.

The seminar, dealing with new business guideline and policies in Indonesia, is held by the Management Technological Centre.

He said one of the best assets Indonesia has is the relatively cheap labour and the large population—160 million—which attract capital investment.

As regards the development of capital investments in Indonesia, he said the BKPM has from 1967 to 1984 approved 844 foreign capital investment projects involving US\$ 15.859 billion.

In the middle of 1985, the Board approved 32 foreign investment projects estimated at US\$ 339 million, an increase from the previous year in which such projects involved US\$ 74.5 million.

The average growth rate of 7.2 percent per annum from 1969, the year in which Indonesia launched its five-year development plans, till 1983 showed the achievement of the national development in promoting the standard of living of the people.

He also touched on the successes of the Indonesian government in checking the inflation rate. In the first quarter of 1985, the price index of the nation's staples rose only 0.18 percent compared to the previous year's 8.8 percent.

New Policy

Budi Hartantyo also explained the government's new guideline for attracting more foreign capital into Indonesia.

The foreign investment law passed in 1967 was followed by the domestic investment law in the following year, offering various incentives to

capital investment undertakings, such as exemption of import duties on capital goods.

Under the new regulations, he added, if all the conditions have been met, a Presidential greenlight for a capital investment project could be obtained within six weeks after the application had been handed in to the appropriate authorities. Previously it took three to four months to obtain such approval.

The new tax system is also part of the government's efforts at improving and modernizing the economic sector through maximizing natural resources and creating a climate in which the business world could operate soundly.

The seminar is attended by 50 participants from Indonesian and foreign business companies.

CSO: 4200/1534

LAOS

BRIEFS

SRV SCIENTIFIC DELEGATION ARRIVES—Vientiane, 5 Sep (KPL)—A delegation of the State Commission for Science and Technology led by its President Dang Huu, who is also member of the CPV Central Committee, arrived here this morning at the invitation of its Lao counterpart. The delegation was welcomed at the Wattai airport by Souli Nankavong, president of the Lao State Commission for Science and Technology, and other officials concerned. Vu Tien, charge d'affaires A.I. of the Vietnamese Embassy to the Lao PDR, was also on hand. [Text] [Vientiane KPL in English 0902 GMT 5 Sep 85]

PEACE DELEGATION TO USSR—Vientiane, 1 Sep (KPL)—A delegation of the Lao Committee for World Peace, Solidarity and Friendship With Other Nations led by its Vice-President Savang Chanthepha left here [for the USSR] on 29 August to attend the international conference devoted to the 40th anniversary of the victory over Japanese militarism to be held in Khambarop on 5-7 September. The conference is under the auspices of the Soviet Afro-Asian Peoples Solidarity Committee. At this conference, the participants are to assess the tradition and history of the peoples of Asia and Pacific regions in their struggle for peace and security during the past 40 years since the defeat of the Japanese. Seeing the delegation off at Wattai airport were Mrs Khamsouk Vongvichit, vice-president of the Lao Committee for World Peace, Solidarity and Friendship With Other Nations, and other senior officials. [Text] [Vientiane KPL in English 0852 GMT 1 Sep 85]

PEACE DELEGATION VISITS SRV—Vientiane, 5 Sep (KPL)—A delegation of the Lao Committee for World Peace, Solidarity and Friendship With Other Nations led by its Vice-President Hiam Phommachan, has returned here from the Socialist Republic of Vietnam. While there, the delegation attended an enlarged session of the Presidential Committee of the Afro-Asian Peoples Solidarity Organization (AAPSO) on Asian security and the Centre of Information and Communications in Asia convened in Ho Chi Minh City of the SRV from 16-17 August. The AAPSO session dealt with the political situation in Asia and worked out a programme of actions aimed at expanding the solidarity movement and stepping up the struggle of the Asian people against the intrigues of international imperialist and other reactionary forces. [Text] [Vientiane KPL in English 0853 GMT 5 Sep 85]

BRIDGE INAUGURATION PLANNED--Vientiane, 5 Sep (OAPA-KPL)--A new bridge being constructed across the Kuding River is expected to be put into test operation in mid-September, an official in charge of the bridge construction unit told a KPL correspondent recently. The bridge is the biggest ever constructed in the Lao PDR with Soviet assistance on the Highway No 13 linking Bolikhamxai and Khammouane Provinces. It is 352 meters long and 10 meters wide, and can support a maximum load of 80 tons. The construction of the bridge started in July 1981 with material and technical assistance from the Soviet Union. [Text] [Vientiane KPL in English 0910 GMT 5 Sep 85]

ROUNDTABLE MEETING ON FASCISM--Vientiane, 2 Sep (KPL)--A roundtable meeting on the victory over Hitlerite fascists and Japanese militarists was held on 31 August at the Soviet Cultural Center here. Among those present on this occasion were Thongsavath Yamani, vice chairman of the State Committee for News Agency, Newspaper, Radio and TV, and member of the state committee for celebration of this historical event; [and] Chanthon Thianthepvongsa, vice-chairman and secretary of the Lao Journalist Association. The Lao and Soviet participants at the meeting recapitulated the danger and barbaric crimes of Hitlerite fascists and Japanese militarists done to the world peoples, especially in Asia and in Europe. They pointed out in their deliberation the great devotion and sacrifices of the Soviet people in the course of liberation of the peoples from the holocaust of the World War II. The speakers jointly expressed their determination to fight the arms race, the nuclear war and the star wars plan of the U.S. imperialists. [Text] [Vientiane KPL in English 0940 GMT 2 Sep 85]

CSO: 4200/1539

MALAYSIA

SHARP REVERSAL IN TRADE BALANCE WITH THAIS

Kuala Lumpur BUSINESS TIMES 22 Aug 85 p 1

[Text]

AFTER years of enjoying a huge trade surplus with Thailand, Malaysia now finds itself on the losing end, no thanks to falling crude petroleum exports which alone makes up about 80 per cent of Thailand's purchases of Malaysian products.

In fact, Thailand achieved a turnaround in its trade with Malaysia in a rather dramatic fashion — from a \$418 million deficit, it chalked up a \$28.5 million surplus in just one year from 1983-84.

Reflecting Malaysia's concern with the trend, the issue dominated discussions between Deputy Trade and Industry Minister Datuk Oo Gin Sun and the visiting Thai Deputy Foreign Minister Prapas Limpabandhu at his office in Kuala Lumpur yesterday.

Speaking to reporters after the meeting, Datuk Oo said he suggested that Thailand expand the list of its imports from mainly Malaysian crude petroleum, which at present accounts for over 77 per cent of that country's total imports from Malaysia.

He attributed the "overnight" change in the trade pattern of both countries to a sharp decline in Thai imports of crude petroleum, in line with the fiscal adjustments by Thailand to tackle its balance of payment problems.

According to Statistics Department figures, Thailand's imports of crude petroleum from Malaysia fell 28 per cent to \$768 million last year from \$1.06 billion in 1983.

Datuk Oo suggested

that Thailand buy Malaysian palm oil and semi-manufactured goods as well as increase the number of items it purchases under the Asean Preferential Trading Arrangement (PTA) which at present is limited to mostly rubber products.

This will also help to increase intra-Asean trade.

He also expressed Malaysia's hope that Thailand expedite the setting up of its own counter trade unit so as to complement and supplement existing trade arrangements between both countries.

Although the trade deficit factor had crept up, Malaysia could still buy more from Thailand, especially rice, through counter trade, he added.

For the first half of this year, Malaysia imported 230,000 tonnes of rice

worth \$121 million from Thailand, and expects to import another 120,000 tonnes for the second half. Rice is Malaysia's biggest import item from Thailand.

Datuk Oo added that Malaysia will set up a joint committee with Thailand to coordinate the manufacture of car components which both countries were venturing into.

Thailand, he said, had already set up its own committee following the meeting between the prime ministers of both countries in Phuket, Thailand, earlier this year.

He said Thailand is also studying the possibility of importing Proton Saga, which is to be on sale from Sept. 1. — Bernama ES

CSO: 4200/1550

PHILIPPINES

OPPOSITION ASSEMBLYMEN FORESEE ROMUALDEZ RESIGNATION

Quezon City ANG PAHAYAGANG MALAYA in English 24 Aug 85 pp 1, 3

[Article by Marlen Ronquillo]

[Text]

Philippine Ambassador to the United States Benjamin Romualdez will resign from his post to avoid "international embarrassment" brought about by charges that his appointment to the diplomatic post was "unconstitutional," an Opposition member of parliament said yesterday.

MP Luis Villafuerte of Camarines Sur said Romualdez, younger brother of President Marcos' wife Imelda, will take his oath as MP after resigning from his foreign post and will most likely aim for the Batasan speakership.

The post of Leyte governor, which Romualdez is concurrently holding with his job, will most likely be assumed by his son Philip, Villafuerte said.

The resignation of Romualdez, his joining the Batasan and Philip's assumption of the Leyte governorship may happen late this year or a little later, said Villafuerte who told Malaya his views are shared by many oppositionists.

Villafuerte talked on the Romualdez case, the political Opposition's program of government, the possibility of a snap election and several other matters before the American Chamber of Commerce.

An impeachment resolution filed by

Opposition MPs Aug. 13 included the appointment of Romualdez to the US post as one of the main grounds for impeachment of President Marcos.

Saying that an elected official could be appointed to other government posts except the Cabinet, 56 MPs accused President Marcos of "culpable violation" of the Constitution because of Romualdez' appointment as envoy to the US.

While the resolution was thrown out 7 hours after its filing, extensive news reports were written on the accusation against the appointment of Romualdez.

A member of the ruling Kilusang Bagong Lipunan gave credence to the charge of the Opposition, saying it has legal basis.

MP Arturo M. Tolentino of the KBL said letters of credence are only issued by foreign governments to regular ambassadors. Tolentino was a former foreign minister.

Tolentino reacted after the KBL issued a press statement saying Romualdez was merely "designated" and not "appointed" to the US post.

Villafuerte told the chamber the US government does not accept an ambassador who is on a "special transient assignment."

"Ambassadors issued letters of credence are either regular or no ambassadors at all," Villafuerte said.

Talking on the political Opposition's platform of government, Villafuerte said there are three main goals that have been set in a post-Marcos government.

These are political emancipation,

economic deliverance and restructuring of the government, he said.

To achieve the goals, the Opposition will amend the Constitution. A convention to "overhaul" the Constitution will be called six months after the Opposition's victory, Villafuerte told the leading members of the chamber.

The new Constitution will remove the emergency powers of the president and will allow a single term of six years for the presidency, he said.

He said relatives of presidents will be banned from holding public office.

President Marcos' "excessive powers" have caused the current economic crisis and the rising insurgency problem, said Villafuerte.

Meanwhile, the Movement for National Unity (MNU) yesterday denounced the campaign to impeach President Marcos as "an American-inspired ploy to divert the Filipino people from the historic task of dismantling the neocolonial structure of policies and programs imposed upon the Philippines by the United States through the World Bank-International Monetary Fund."

Former Deputy Labor Minister Amado Gat Inoling, MNU chairman, said the impeach-Marcos campaign, triggered by an American newspaper expose on alleged Filipino hidden wealth in the United States, has brought Philippine politics exactly back to the pre-Martial Law era when the administration and the Opposition relentlessly fought their political battles on such issues as graft and corruption, juggling of funds and the like.

PHILIPPINES

SIN WARNS CIVIL WAR IMMINENT, ASKS PEACEFUL CHANGE

Quezon City ANG PAHAYAGANG MALAYA in English 17 Aug 85 pp 1, 3

[Text]

Top churchman Jaime Cardinal Sin has warned that civil war may break out in the Philippines and called on the church to help ensure peaceful change, a statement issued by his office said yesterday.

"The task of the church... is to pre-empt the threat of civil war which hangs over our heads like a sword of Damocles," the Archbishop of Manila was said to have warned in a church conference in Cologne Aug. 9.

The influential cardinal, a lead-

ing critic of President Ferdinand Marcos, was quoted as saying, "The mood of the people is one of insecurity, helplessness, terror and anger. Yes, the terror is giving way to anger."

The heavily Roman Catholic Philippines is wracked by severe economic problems and a growing insurgency led by an estimated 12,000 communist New People's Army (NPA) guerrillas.

The prelate reportedly urged free elections, support for the economically distressed, and more basic Christian communists - self-reliant rural organizations set up by church activists - to ensure peaceful change.

Sin criticized the "insensitivity shown by the powers-that-be" that is "driving more and more people to the hills," the statement said.

President Marcos has been in power since 1965, ruling under martial law from September 1972 to January 1981. He has retained his martial-law powers to make laws by decree and detain suspected dissidents. - AFP

CSO: 4200/1524

PHILIPPINES

OPPOSITION APPROVES 'SHADOW CABINET' TO PLOT MOVES

Quason City ANG PAHAYAGANG MALAYA in English 10 Aug 85 pp 1, 2

[Article by Marlen Ronquillo]

[Text]

The splintered political opposition yesterday unanimously approved the creation of a Shadow Cabinet to plot its political moves in a giant stride towards mounting a serious unified challenge against the 20-year government of President Marcos.

Claiming it is now the "emerging government", the opposition said the Shadow Cabinet will "do day-to-day political battles with the Marcos regime" amid serious indications of a snap presidential election this November.

The creation of the Shadow Cabinet was proposed and approved at a "mini-summit" held behind closed doors and attended by the heavyweights of the opposition, among them three presidential aspirants and the widow of Benigno S. Aquino, Jr.

A document leaked to *Malaya* said the creation of the Shadow Cabinet, the first such move of the opposition since the crisis spawned by the Aquino murder in August 1983, dominated the three-hour summit which ended on a note of optimism.

The document, which was submitted to the National Unification Conference (NUC) by the Social Democratic Party, also recommended that the poli-

tical parties under the NUC form formally a coalition to speed up the pace of their political activities.

"We should no longer be telling the people we are the united Opposition. We should be projecting the message that we are the next government," the confidential document said.

The document said the Shadow Cabinet can be initially composed of the leaders of the political parties under the NUC. All heads of parties should accept a Cabinet assignment, preferably based on their expertise, but approved by the other leaders.

The document said it would be better for the Opposition to choose its presidential and vice-presidential nominees from the Shadow Cabinet.

Upon nomination, the presidential and vice-presidential candidates should vacate their posts from the Cabinet, the document said.

All members of the Shadow Cabinet should accept a draft to run for either the presidency or the vice-presidency anytime after an election date is set, according to the document.

All party organization work should center on the coalition proposed, it added.

The NUC meeting was attended by leaders of political parties, including Jovito Salonga and Eva Estrada Kalaw of the Liberal Party, Salvador H. Laurel of the United Nationalist Democratic Organization (Unido), Jose Cojuangco of the Partido Demokratikong Pilipino-Lakas ng Bayan (PDP-

LABAN), Bren Z. Gualo of the Laban ni Ninoy sa Gitnang Luzon, Humobono Adaza of the Mindanao Alliance, Marcelo Fernan of the Pinaghisa, Francisco Tatad of the SDP, and Cecilia Munoz-Palma, NUC head.

Mrs. Corazon Aquino also sat through the three-hour meeting apparently to help iron out the unification problems of the Opposition.

The Opposition hopes to achieve two things with the new proposal, but kept mum on what would happen to the selection formula earlier worked out by the NUC if the former is approved.

The creation of a Shadow Cabinet will expand the number of possible presidential candidates and will enable the Opposition to choose its presidential ticket even at a short notice.

Under the NUC guidelines, the candidates pool is composed of four possible nominees, which should choose among themselves the presidential candidate.

* Leaders of regional parties are, however, opposed to this NUC formula saying that some regional parties are even better organized than major parties which were dormant during the martial law period.

Pressure to name a Shadow Cabinet has been building up for months now. But Laurel's party is the only one who is screening possible members of the cabinet once it assumes control of the government.

The Unido is planning to get most of its cabinet from the Batasan Pam-bansa, according to sources.

CSO: 4200/1524

PHILIPPINES

'PEOPLE'S COURT' TRIES, SENTENCES MARCOS EFFIGY

Quason City ANG PANAYAGANG MALAYA in English 17 Aug 85 pp 1, 2

[Article by Desiree Carlos and Gene Orajana]

[Excerpt]

Verdict: Guilty.

Sentence: Death by burning.

This was the verdict and sentence handed down by more than 1,000 Filipinos during the mock trial of President Marcos, his close associates, the military and the US government by a people's court at the Ugarte Field in Makati yesterday.

The protesters then burned the effigies of the "accused" after pronouncement of conviction in representation of their "execution".

Complaints of representatives from different sectors of society were heard during the second people's court in the Philippines. The first was held in Zamboanga City.

Lawyer Jose Virgilio Bautista, chairman of the Bagong Alyansang Makabayan electoral struggle committee, said the people's court was created in view of the "futility of the impeachment proceedings at the Batasang."

"The failure of the Opposition solons to pursue the impeachment proceedings only confirms what the people already know: That, ultimately, the ouster of Marcos will be resolved by the people themselves through means that they will create and choose."

The people's court, Bautista said, is only symbolic and "targeted to have

Verdict:

(From Page 1)

an accumulated effect so that the people themselves will put an end to the Marcos dictatorship and work to erode the political base of the US-Marcos collusion."

Former Manila Times publisher Joaquin "Chino" Roces, popular street protester, said "It is time for the people to have a say in events that happen in this country."

Added Roces: "I believe that the parliament of the streets is more effective than the Batasan. The Marcos administration's fear of rallies and other protest actions, as shown by the fielding of numerous truncheon-wielding policemen, shows that the parliament of the streets has indeed been effective."

During the theater-style mock trial conducted by the University of the Philippines teachers and students, professionals, peasants and out-of-school youth aired their sector's grievances against President Marcos and his alleged supporter - the US.

The teachers complained of low wages, lack of benefits, use of educators as tools of US imperialism to inculcate American values, and use of teachers in the elections to "perpetuate the Marcos regime."

The students assailed what they said is militarization in schools, harassments and arrest of militant student leaders, tuition fee increases, colonial

system of education, curtailment of academic freedom, the National Security Law, refusal of school administrators to recognize student councils and organs.

The workers deplored poor working conditions, low wages, lack of benefits, unfair labor laws, refusal of management to recognize workers' right to organize and government's disregard for the welfare of workers.

The farmers said they still do not own the land they till and criticized the government for bungling agricultural program.

Poor residents in Metro Manila lambasted the government for the demolition of their homes and failure to provide basic needs.

PHILIPPINES

MALAYA LAUDS CHIEF JUSTICE REMARK ON IMMUNITY REPEAL

Quezon City **ANG PAHAYAGANG MALAYA** in English 24 Aug 85 p 4

[Editorial: "Pleasant Surprise"]

[Text]

Once in a great while, we come upon some refreshing breath of fresh air in the form of pronouncements by government functionaries with a semblance of independence of mind and self-respect.

The latest of these refreshing pronouncements came from Supreme Court Chief Justice Felix Makasiar, who hinted in a talk before the Rotary Club of Manila the need for the repeal of the presidential immunity from suit. If this is any indication of future actions by the High Tribunal under his stewardship, then the present not too enviable image of the court may yet undergo a change for the better under Mr. Makasiar. For a time, the independence of the court has been put under a cloud when its ranking member became a welcomer and umbrella-holder for an important airport arrival. This did not sit well with the public, who had expected a more sober norm of conduct and decorum from members of the High Court.

Fortunately, those days seem to have been buried with its past, which is better forgotten anyway. Makasiar seems to be singing a different tune (in ringing baritone, too?) and this may not presage well for the conjugal reign which has exhibited the least patience with anyone who does not toe the administration line.

Without mincing words, Mr. Makasiar expressed the view that the removal of the presidential immunity would strengthen the rule of law in the country and said, in words pregnant with meaning, that persons acting under orders of the President are likewise protected even without the immunity suit "as long as his (the President's) orders are legal." Here is a statement that could easily provoke interpretations in the highest legal circles and serious study by the country's legal luminaries. What orders of the President may be considered illegal? What are legal? These are all-important questions because of the nature of the presidency.

There are other provisions in criminal law, Mr. Makasiar points out, which could "protect the President if his acts were done in good faith."

This could be another loaded statement from the new chief justice. The demarcation line between good faith and bad faith could be indistinguishable; often it will depend on the sincerity of a man's motive — or lack of it — clashing with covert acts. Who will determine, for instance, if the President acted in good faith when he appointed the justice minister to probe the hidden wealth scandal? Could he have not constituted an impartial committee?

At any rate, the people would be too happy to know that they have erred in judging Mr. Makasiar prematurely.

CSO: 4200/1524

PHILIPPINES

PAPER HITS KBL SURVEY AIMED AT MARCOS SUPPORT

Quezon City ANG PAHAYAGANG MALAYA in English 23 Aug 85 p 4

[Editorial: "Deception Is Rule"]

[Text]

Another attempt at deception of which this administration seems to be a consummate master has reportedly been unearthed by Opposition leaders in Central Luzon. This time it involves questionnaires being circulated in various government offices by the Kilusang Bagong Lipunan (KBL) party soliciting answers and signatures in support of the Marcos administration.

Apparently aimed at preempting or aborting any Opposition move to enervate the underpinnings of the conjugal reign, the so-called survey calls on the people to "support the decision of the Batasan Pambansa to throw out the impeachment resolution against President Marcos and the favoring of his continuance in office without snap elections until the 1987 elections."

The KBL strategy is expected to counter a nationwide project launched by the United Nationalist Democratic Organization (UNIDO) to gather at least one million signatures calling for the immediate resignation of Mr. Marcos for "culpable violation of the Constitution and other high crimes." This is apart from the over one million signatures which have already arrived at the Unido-Manila offices expressing support for the second impeachment move being readied by the Opposition against Mr. Marcos.

According to *Malaya's* Tarlac correspondent, the questionnaire will serve as a meal ticket after they have been filled up (with the right answers, of course). But even in this little thing, the people in three provinces of Central Luzon were deceived. After trooping to their respective town halls as early as 6 a.m., they were reportedly told to go home as the planned rally where they would have been participants (for a fee) did not materialize.

One could think the administration still has some vestiges of decency to keep its little promises. But it has become crystal clear that after years of being dishonest with itself and the people, it has grown so callous to be responsive to any reasonable expectations of the governed.

The 'hakot' system it has resorted to everytime the Marcoses want to delude themselves into believing their dangerous hallucination of being loved and supported by the people is just another reflection of this latest fraud perpetrated upon the people. We have it on good authority that every victim of the 'hakot' was supposed to receive the amount of P50 but most would be lucky to have P20 on their hands..

It seems to prove that under this hated regime, deception is the rule of the game.

CSO: 4200/1524

PHILIPPINES

SCHOLARS SAY INSURGENCY IRREVERSIBLE

Quezon City **ANG PANAYAGANG MALAYA** in English 10 Aug 85 pp 1, 2

[Article by Philip Lustre]

[Text]

The local communist insurgency problem has reached irreversible levels, two prominent scholars yesterday said.

Former 1971 constitutional convention delegate and respected nationalist-economist Alejandro Lichauco and University of the Philippines researcher Patrocinio N. Abenales told the Metropolitan Economic and Political Forum the local communist insurgency will escalate even in a post-Marcos era.

Lichauco said there are two aspects in the local communist movements led by the outlawed Communist Party of the Philippines: the armed struggle being waged by its military arm, the New People's Army, and the politicization campaign spearheaded by the CPP's non-armed component.

While future events will dictate if the NPA armed struggle will succeed, the politicization campaign or "consciousness of the people" will continue as it has reached its irreversible point, Lichauco said.

"In the ultimate analysis, it is the politicization of the people that matters," he said.

Abenales, a Third World studies program researcher, who has conducted extensive studies on communist insurgency and the armed forces, pointed out the communist rebels have "painstakingly expanded their forces" over the past 16 years.

He said the CPP's gameplan has

been "working perfectly," as the NPA has grown from about 100 rebels in 1969 to a 16,000-strong organization and that its armed guerrillas have taken roots in their areas of operation.

"We have to concede that the NPA had grown considerably strong since there is no systemic or structural change," he said.

Even if President Marcos is replaced, the NPA will continue to grow and expand, he said.

Member of Parliament Orlando Dela (KBL-Quirino) disputed Lichauco and Abenales' claims, saying the situation is under full control of the armed forces.

He said NPA forces in several provinces had been neutralized by government forces, adding that "the communists don't have any chance in this country."

Lichauco said the local communist movement is not a predominantly Marxist movement or one that expresses the people's anger on military abuses and government neglect, but fundamentally a liberation movement against US neo-colonialism.

He described it as "an expression of anti-colonial struggle against the presence of US military bases here and the dictates of the International Monetary Fund."

He chided the Western press for its failure to report the communist movement insurgency as a liberation movement.

On the foreign-sponsored rural projects, Lichauco described them as "palliatives and not real aid."

He said these foreign aids do not effect structural changes and therefore must be treated as part of counter-insurgency efforts of foreign governments sympathetic to US policies to the Philippines.

PHILIPPINES

KMU LEADS PROTEST ACTIONS IN MINDANAO

Quezon City ANG PAHAYAGANG MALAYA in English 9 Aug 85 p 9

[Article by Sonia Dipasupil]

[Text] More than 150,000 workers in five southern Philippine islands launched a series of mass actions starting Aug. 1 to dramatize a 14-point demand from the Marcos government, among them the release of missing Redemptorist priest Fr. Rudy Romano, believed to be under military custody.

The workers belong to chapters and affiliates of the militant trade union center Kilusang Mayo Uno (KMU).

Lawyer Prospero Banzuala, director of the Southern Philippines-Kilusang Mayo Uno (SP-KMU), told Malaya the concerted actions are intended to urge President Marcos to consider the interests of the labor sector in implementing the government's national recovery program. He said the workers are the hardest hit by the economic crisis, which has triggered mass lay-offs and the closure of small-and medium-sized companies and plantations, leading to mass starvation in the Visayas and Mindanao.

The workers will also protest increasing militarization and military abuses in the islands of Panay, Negros, Cebu, Leyte and Mindanao.

The KMU official noted that despite stiff government restrictions, there has been an upsurge in strikes and other work stoppages in the region. In the province of Cebu alone, 18 strikes were declared during the first half of 1985, resulting in 3.2 million manhours lost.

"This phenomenon is unprecedented considering the existence of laws like BP 130 and 227 and LOI 1438, which regulate, limit and impose sanctions on the exercise of the right to strike and

to picket," he pointed out.

Lawyer Proculo Fuentes Jr., vice-chairman of the 80,000-strong Center of Nationalist Trade Unions in Mindanao (CENTRUM), said the August mass actions is the second in a series of protest activities slated for the year by the Visayas-Mindanao area conference of KMU chapters and affiliates, which decided to continue airing labor's demands until granted by the Marcos government.

The 14-point demand calls for an improvement in the workers' economic conditions and in labor-management relations and an end to military abuses. The economic de-

mands include an increase in minimum wages in large industries by at least 25 per cent; full implementation of wage orders, emergency cost of living allowances, the teachers' share under PD 451 (60 per cent of tuition fee increase) and other labor standard laws; distribution of farm lots to displaced sugar workers and the creation of an independent and impartial body in charge of rice aid distribution; and a ban on lay-offs through government assistance of distressed industries.

The trade union groups also urged the amendment of the labor relations system by restoring the right of workers to self-organiza-

tion both in the private and government sector and the repeal of BP 130 and 227 and LOI 1458.

They also appealed for the return of civilian supremacy over the military by declaring a ban on salvaging, the use of military and paramilitary units and fanatic religious cults for zoning, hunting and unwarranted raids, and the organization of paramilitary units in Negros haciendas.

They also seek justice for salvage victims through laws granting compensation to their dependents and providing rehabilitation to victims

of military atrocities and those hurt or injured during strike dispersals, as well as the punishment of perpetrators of such military abuses.

The labor groups also demanded the abolition of the PAG-IBIG program as an unnecessary tax on the workers' take-home pay and urged the government to implement a genuine land reform program that would enable peasants to till their own farm lots.

Meanwhile, both Dumazaeta and Fuentes urged workers in Cebu to support the ongoing BAYAN-led protests and

mass actions to produce Fr. Romano and student leader Levi Ybanez, who have been missing since July 11, reportedly kidnapped by military men.

The two labor leaders said Fr. Romano supported militant labor groups in their campaign to purge the labor movement of undemocratic leaders and to transform Visayan unions into genuine trade unions. As vice-president of BAYAN, Fr. Romano urged the labor sector to struggle for reforms consistent with their interests as the backbone of the economy.

CSO: 4200/1524

PHILIPPINES

NEW ZEALAND LABOR LEADER EXPELLED

Quezon City ANC PANAYAGANG MALAYA in English 10 Aug 85 p 2

[Article by Joey Salgado]

[Text]

Immigration authorities Thursday shipped out a labor leader from New Zealand earlier barred from entering the country despite an assurance from the foreign ministry that he would be allowed entry.

Ken Findley boarded a Philippine Airlines plane bound for Singapore at 3 p.m. Thursday, a full hour before the lifting of his entry ban at 4 p.m.

Findley yesterday phoned several labor leaders from Singapore and, when told of the

decision of the Ministry of Foreign Affairs said he will return to the country today.

The MFA lifted its order to ban Findley from the country after meeting with several officials of the New Zealand embassy Wednesday. Findley was held at the transit lounge of the MIA from 7 p.m. Wednesday until Thursday afternoon.

Findley, secretary-treasurer of the New Zealand Meat Workers union and a member of a five-man fact-finding mission from the New

Zealand Federation of Labor, was barred from leaving the arrival area of the Manila International Airport Wednesday.

The order to deny entry to Findley came from the MFA which cited his participation in the Labor Day celebration sponsored by the Kilusang Mayo Uno (KMU) last May where he allegedly uttered "derogatory remarks against the Philippine government."

Other members of the NZFOL delegation are currently in Cebu as guests of Trade Union Congress of the Philippines (TUCP) President Democrito Mendoza. From Cebu, the mission will visit Negros to attend a convention of the NACUSIP.

A meeting with the KMU will be held on Aug. 12.

The NZFOL formed a fact-finding mission after the TUCP requested the federation to reconsider a resolution extending recognition to the KMU and disassociating the NZFOL from the TUCP.

Findley authored the resolution which was unanimously approved by the NZFOL convention last year.

CSO: 4200/1524

PHILIPPINES

OPPOSITION DAILY HAILS NAVY HANDLING OF 'MASSACRE'

Quezon City ANC PANAYAGANG MALAYA in English 18 Aug 85 p 4

[Editorial: "A Shipshape Navy"]

[Text]

It comes like a fresh spray of seabreeze, in the polluted, graft-ridden areas of government, to find out that some top Philippine Navy officials have been under preventive detention even before any clear outcome of the current investigation of what is now known as the "Massacre at Sea".

A full-dress investigation on the recovery of 10 bodies off Corregidor last July 10 is now being undertaken by a committee headed by AFP Inspector General Eustaquio Purugganan. The lone survivor of this off-shore salvage operation, Leodegario Villanueva, skipper of the LCM 108, named Commodore Emerson Tungan of the naval services division, Philippine Navy Headquarters, Roxas Blvd.; Capt. Marino Paces, commander of the Navy's task force 21 handling cases of boats under investigation; and Ruben Labre, as those responsible for the death of his crew.

The incident happened in the course of stepped-up anti-smuggling operations waged by joint forces of the Philippine Navy and the Bureau of Customs.

It is notable that the Philippine Navy has clamped down on its high officials, even as investigations have not yet been completed. This is very much the exact opposite of already indicted military personnel belonging to other commands, in the now infamous Sandiganbayan trials.

Whatever the outcome of current investigations in this incident, it is heartening to note that at least, in the Philippine Navy, there is an expedient system to crack down on its errant personnel, even on mere suspicion.

At last, here is one aspect of the punitive system employed on ordinary citizens, where the Navy has proven to be equal. This has somewhat restored a glint in our country's tarnished military armor. It makes us want to believe that there is still a modicum of justice present in our country today.

4 October 1985

PHILIPPINES

EIGHT DEAD, SIX ARRESTED IN BUKIDNON ANTI-NPA DRIVE

Quezon City ANG PAHAYAGANG MALAYA in English 19 Aug 85 p 9

[Article by Omar Oscar Almanario]

[Text]

MALAYBALAY, Bukidnon — At least 8 persons were reported to have been killed, one of them believed "salvaged" (summarily executed), in the wake of a massive counter-insurgency drive being waged by combined military forces in at least five towns of this Central Mindanao province against the New People's Army.

From April to May this year, the military here has also arrested and detained at least six farmers from Quezon town on mere suspicion of having links with the underground movement.

Arrested were Artemio Jimenez, 28; Romeo Tubiano, 36; Comoso Montecillo, 26; Sergio Prestitero, 57; Rosendo Hilangdal, 26; and 75-year-old Ricardo Sibla.

Jimenez and Tubiano were reported to have been heavily tortured when they were arrested April 19 in barrio Linao by a composite team of policemen and Civilian Home Defense Force (CHDF) volunteers belonging to the 425th PC Co.

Initial documentation made by the church-based Task Force Detainees-Bukidnon (TFD-B) showed that the farmers were rounded up April 19 in connection with an ambush reportedly staged by the NPA in said barrio where two

PC soldiers and a civilian were earlier killed.

Slain during the ambush were Sgt. Miguel Natividad, CIC Remy Bauden and Rexes Carman, a civilian. The lone survivor was identified as CIC Elias Denaga.

The farmers are presently detained at the Quezon Municipal Jail. Subversion and murder charges have been filed against Jimenez and Tubiano. Prestitero and Montecillo are facing illegal possession of firearms and subversion, respectively.

On May 22, Nestor de la Cruz, 32, an inmate at the provincial jail, was found dead near the Belyca Farm site, along Sawaga River, in this capital town. The victim bore multiple stab

and gunshot wounds in the chest and head. De la Cruz, who was believed "salvaged," was last seen alive May 15.

On May 10, Virgilio Tamula, a farmer in Barrio Alanib, Lantapan town, was shot dead by a drunk CHDF volunteer identified as Avelino Poonon.

TFD-B said Tamula was preparing for the wedding of his sister-in-law's daughter when Poonon shot the victim after asking food from the former. Poonon ransacked and looted some of their valuables and cash.

TFD-B said Ernesto was picked up last Jan. 15 but was released to the custody of a barangay official.

In the town of Tangapan, a certain Edith Ranile, 32, was shot dead May 8 by unknown armed men while the victim was watching a benefit dance in Barrio Sagbayan. As of press-time, motive behind her killing remains unknown. portedly surrendered to Lantapan police authorities.

In Kadingilan town, Ernesto Jordillo, 20, was shot dead April 30 reportedly by a composite team of 26th III/PA personnel and CHDF volunteers numbering about 20 in sitio Kipikil, barrio Husayan while the victim was sleeping at his uncle's house.

The report said Ernesto's brother Emilio, 17, and his uncle were tied to a post in their house while the soldiers ran-

CSO: 4200/1524

4 October 1985

PHILIPPINES

FIRM SEEKS GOVERNMENT HELP COLLECTING MIDDLE EAST CLAIM

Quezon City ANG PAHAYAGANG MALAYA in English 16 Aug 85 p 7

[Article by Ma. Rosa Ocampo]

[Text]

Landoil Resources Corp. is seeking the Philippine government's assistance in collecting \$170 million (or P3.4 billion) worth of claims against Middle East countries.

Official sources disclosed that Landoil, one of the

country's biggest overseas construction firms, is bound to collapse unless it could raise money with which to start anew with its overseas projects, including those in Africa and South America.

Sources added that Prime Minister Cesar Virata has indicated the possibility of helping Landoil "through diplomatic channels" but he wants to verify first the actual amount of receivables and the circumstances leading to Landoil's difficulties.

Landoil's claims came from its substantial prime contracts in the Middle East guaranteed by the state-owned Philippine Export and Foreign Loan Guarantee Corp.

In the wake of hostilities in the Gulf area, however, construction

projects were stopped before completion, with the host governments, including Iraq and Libya, calling on the guarantees and refusing to pay the contract price.

Landoil also has over \$45 million worth of uncollected political and commercial risks insurance. The claims are now pending in the courts.

While technically Landoil has no outstanding debts with Philguarantee, it is now the government institution's major problem account due to the performance

guarantees extended to help the construction firm bag the Middle East contracts.

This huge exposure in the form of loans and guarantees was one of the main reasons for Philguarantee's eventual insolvency and closure last year.

Consequently, Landoil got into trouble with the government and other banks, including foreign lenders. The company for a time was successful in raising operating funds from Middle Eastern banks.

In the absence of

the needed financial backing, Landoil was forced to shelve construction projects scheduled this year.

Three Philguarantee officials, sources said, have been invited to sit in the board of directors of Landoil in a gesture of the construction company's firm intention in settling its problems with Philguarantee.

The Philguarantee officials turned down the invitation.

Landoil's biggest problem client, sources said, is Iraq, a country now in the third year of a war

with neighboring Iran.

Due to the crippling burden of financing the ongoing war, Iraq has asked its creditors to postpone collections for at least a couple of years.

The Iraqi government reportedly was willing to pay Landoil with crude oil it produces. The Philippine government was reported to be interested in the deal.

But more than a year after the idea was floated, no concrete steps have been taken to arrange such a deal.

CSO: 4200/1524

4 October 1985

PHILIPPINES

BUSINESS LEADERS HIT PARITY RIGHTS FOR FOREIGN INVESTORS

Quezon City ANG PAHAYAGANG MALAYA in English 4 Aug 85 p 6

[Article by Rosa Ocampo]

[Text]

Business leaders yesterday said giving nationals of the United States and Japan the same treatment as Filipinos will worsen the creeping political, economic and social ills of the country and reduce the Philippines again to a vassal state of these former colonizers.

Such special privileges sought by these countries, according to National Economic Protectionism Association president Salvador Enriquez, "is a modern form of colonization technique."

He denounced government leaders for even entertaining thoughts of acceding to the demands being made by the two powerful countries and said these leaders have shown thereby they have "no capability at all to protect the sovereignty of the country."

Enriquez said that if the alleged \$12 billion of "ill-gotten wealth stashed abroad is returned here, there is no need for foreign investments" which he said amounted to only \$3 billion so far.

Philippine Chamber of Commerce and Industry president Felix K. Maramba, Jr. also voiced rejection. He said the PCCI is against any national treatment to any foreign investor.

Concepcion Industries president Raul Concepcion on the other hand, while rejecting national treatment, favors relaxation of investment restrictions on foreign investors in export-oriented industries.

Concepcion, however, draws the line on such relaxation on domestic-oriented industries such as consumer durables which he said remain in Filipino hands.

Japanese embassy sources who spoke on condition of anonymity

in Malaysia that they may drop their bid due to the unfavorable reaction generated by the action while the American Chamber of Commerce in Manila said all they want is a "non-discriminatory policy" in investment rules.

Amchem sources who also declined to be named pointed out that the newly established Philippine Filter Manufacturing Corp. owned by known presidential crony Hermilio Disini was given tax exemptions for raw material imports while an earlier operating company in the same line of business owned by British and Americans is taxed for similar importation.

They also mentioned the case of the Japanese LMG Chemicals, Inc. which is subject to a ban on importation of petroleum raw materials but Unichem, said to be owned by people close to the Marcos administration, was exempted from the ban.

The Japanese sources also said that the reason they are seeking national treatment was to avoid what they said were policies that "were often changed or amended" wreaking havoc on business planning, and also to avoid high taxes and tariffs which eat up their profits.

Earlier, government sources who also spoke on condition they are not named said a debate is now raging in cabinet circles on the demand of the Americans and the Japanese with the Ministry of Trade and Industry battling for the grant of such treatment and the Economic Planning Ministry in opposition.

CSO: 4200/1524

PHILIPPINES

BANKER FORESEES PESO SLIP WITH SNAP POLLS

Quezon City ANG PAHAYAGANG MALAYA in English 21 Aug 85 p 7

[Article by Dennis Fetalino]

[Text]

The peso may weaken against the dollar in the event a snap election is held this year, a top commercial banker said.

Peter B. Favila, senior vice president of the Metropolitan Bank and Trust Co., said the extent of the devaluation would depend on the level of government spending for election purposes.

"The reported snap presidential election this year would definitely have a significant bearing on the peso-dollar rate as was the experience in past electoral exercises," Favila told the Financial Executives Institute of the Philippines yesterday.

As of the moment, he said, there is no foreseeable movement in the peso-dollar rate. The peso-dollar rate has slightly moved beyond P18.60, the rate which held on for about two weeks.

Favila, also one-time head of the Forex Club of the Philippines, said at best the peso could stay

well below twenty, although most commercial banks are selling foreign exchange anywhere from P19 to P20 outside the trading floors of the Bankers Association of the Philippines.

"I think the present administration cannot afford to weaken the peso in any electoral process; the government should be holding on to the present rate," he said.

He said Central Bank Governor Jose B. Fernandez has been "very successful in defending the peso in a manner more credible than the previous CB administration."

The Metrobank executive said the rate might also be influenced by the next rounds of restructuring talks between Philippine monetary authorities and foreign creditors.

At the same time, he also called on the CB to stay away

from the legitimate foreign exchange market except only when defending the domestic currency.

"There is nothing wrong with intervention per se because most monetary authorities in other countries like Japan and Germany intervene in their forex markets in order to defend the local currency," he said.

Thus the CB should intervene only in accordance with its economic duties. At present, the CB is still the biggest buyer of foreign exchange at the BAP floors but it claims that it has remained a "residual buyer."

Favila also called on monetary authorities to get rid of all restrictions and disincentives, such as the abolition of credit floors among the banks in order to let the forex market "lift off."

He said this will open the gates for the local forex market and facilitate free flow of dollars from their hiding place.

He noted that the total foreign exchange assets of the commercial banking system has gone down from \$4 to \$5 billion to merely \$1 billion lately.

PHILIPPINES

PAPER REPORTS INFLATION DROP

Quason City ANG PAHAYAGANG MALAYA in English 26 Aug 85 p 7

[Article by Dennis Fetalino]

[Text]

Business activity is expected to pick up momentum early next year as inflation takes on single-digit rates by the end of 1985, Economic Planning Minister Vicente B. Valdepenas said.

Valdepenas said at the rate inflation - or the rise in the average level of consumer prices rise - is coming down, a single-digit rate may be achieved before the year ends, thus overshooting previously-set government targets of from 15 to 20 per cent.

But most businessmen are not impressed by the government's claim of success in controlling inflation.

David Sycip, senior adviser of PCI Management Consultants Inc., for example, said that with all the fiscal and monetary tools in the hands of the government, there is nothing magical about bringing down inflation.

These tools include controlling money supply, increasing bank reserve requirements, increasing tax collections and limiting government borrowings.

Other businessmen say the drop in inflation shows the absence of buying power and, as a result, a slump in demand for goods.

Valdepenas said there has been a drastic fall in the month-to-month inflation rates since the

start of the year.

At the moment, the rate is slightly over 18 per cent but Valdepenas added that the figure for the first two weeks of August could be a few percentage points lower.

Inflation shot up to over 60 per cent in October last year when interest rates carried by government debt instruments like the "Jobo" bills and the Treasury Bills reach a high of from 40 per cent to 45 per cent.

However, Valdepenas, who is also director-general of the National Economic Development Authority, failed to give actual figures on inflation for August.

The NEDA minister had just flown in from week-long negotiations with the government of the Federal Republic of Germany for the restructuring of part of the country's foreign loans.

Valdepenas also predicted a further downturn in interest rates by the end of the year to around 15 per cent, which is five percentage points above the projected inflation rate.

At present interest rates are running at around 20 per cent.

Valdepenas explained that both the fall in inflation and interest rates would prime up business activity, encourage investment and mobilize capital.

PHILIPPINES

CENTRAL BANK, OTHERS SAY TRADE CREDIT RULES 'HAZY'

Quezon City ANG PAHAYAGANG MALAYA in English 20 Aug 85 p 6

[Text]

Operating guidelines on the use of the newly restored \$2.9 billion revolving trade credits are confusing not only local and foreign banks, but even the Central Bank, a Monetary Board member admitted yesterday.

He said "It is very difficult to digest" the contents of the guidelines under CB Circulars 1071 and 1072. This may discourage local banks from joining as conduit banks and the importers from borrowing whenever tight their needs for trade credits are.

The first CB circular directs local banks to pay their outstanding trade-related foreign loans. The second sets the rules on the availment of the revolving trade facility.

For one thing, the guidelines require a "cumbersome monitoring system" for the credit facilities which may prove more expensive to foreign and local banks, the monetary official said.

The CB wants to be sure the foreign banks maintain their trade credit exposure until December 1986 to the same level before the moratorium on foreign loans payment was imposed on October 1983.

While the guidelines specified that local banks' clean lines fall under the terms of the \$2.9 billion trade credit facility, some foreign banks are reportedly asking for cash advances before committing credit lines to local banks.

The problem is compounded by local bank's reluctance to put

up cash advance which they claimed is not stipulated in the guidelines. Moreover, putting up cash advances runs counter to the aim of the trade credit facility, that of reducing the cost of import financing by doing away with advanced payments.

Under the CB guidelines, foreign banks could commit their credit lines either by maintaining their lines with local banks or depositing money with the CB.

Conduit banks pay the peso equivalent of their unpaid trade-related foreign loans if the foreign banks deposit money with the CB. On the other hand, conduit banks can ask the CB to deduct the peso payments from their CB accounts, if foreign banks decide to maintain their committed credit lines with local banks.

Exporters are not too happy with the arrangement for the use

of the trade credit facilities, where \$1 billion was earmarked for oil bills payments, \$1.6 billion for raw material importation and a measly \$400 million for exporters' needs.

They said smaller banks and importers which are perceived poor credit risks have slim chances of getting the loans ahead of big banks and their favored clients.

Prime Minister Cesar Virata earlier admitted that the disbursement of the revolving trade credit facility will really be controlled by the lenders themselves. They may deal with any local banks of their choice in the Philippines.

Local conduit banks, in turn, would select their own clientele based on the borrowers ability to pay promptly as determined by the size, nature of business, and previous dealings with banks.

PHILIPPINES

WORLD BANK CRITICIZES TRADE MINISTRY INEFFICIENCY

Quezon City **ANC PAHAYAGANG MALAYA** in English 26 Aug 85 p 7

[Article by Ma. Rosa Ocampo]

[Text] The Ministry of Trade and Industry--the body having final authority on matters concerning investments and foreign trade--has become too big and powerful to be efficient, the World Bank said.

While specific functions are assigned to each of MTI's departments and agencies, "their roles have become fragmented and their terms of reference complex", a World Bank mission said in a report dated July 1985.

As a result, the report said, "duplication of functions and internal rivalries" affect the efficiency of MTI's operations.

Specifically, there is a standing issue on the duplication of functions of the National Cottage Industry Development Authority (NACIDA), the Small Business Assistance Center and the Bureau of Domestic Trade, all under MTI.

The World Bank's reservations jibe with the observation of Bernardo Villegas, senior vice president of the Center for Research and Communication (CRC), who said the Board of Investments is regulating the "so-called market capacities" instead of sticking to investments promotions.

Villegas said that due to the overcrowding of some industries, the Philippines is the only country in the world whose BOI is telling investors not to go into these industries.

Moreover, the WB frowns on plans for the National Development Co to form an investment company that would fund food processing activities through loans and equity.

The WB wants no NDC involvement in the development of food processing, saying that financing at market rates is available for investors through the Industrial Guarantee Loan Fund (IGLF) and the \$150 million agricultural credit program.

The WB added that despite the cost of maintaining the foreign offices of the Philippine International Trading Corp. (PITC), the government's official export agency, these do not appear effective.

PITC's foreign trade mission, then limited to the United States and Europe, has expanded to East Berlin, Moscow, Peking, Baghdad, Sydney, Tokyo, San Francisco, New York and Munich, the WB said.

PITC operates outside the government civil service so it offers its staff salaries comparable to those given by the private sector.

PITC's functions is to negotiate large-scale export transactions and to arrange for trade credits exceeding \$1 million where it receives a fee of five to ten per cent on the value of the transaction.

CSO: 4200/1524

PHILIPPINES

FISHERMEN HIT IMF REQUIREMENT ON IMPORTS

Quezon City ANG PAHAYAGANG MALAYA in English 4 Aug 85 p 6

[Article by Benjie Guevarra: "Local Fish Cannery Imports To Dislocate Millions"]

[Text]

The government's agreement to an International Monetary Fund (IMF) demand to restore importation of canned sardines would lead to the "complete collapse" of the fishing industry, and dislocate millions of industry workers and small fishermen, the Federation of Fishing Associations of the Philippines (FFAP) warned yesterday.

"Canned sardine imports amidst an adequate supply here will force cash-strapped local canners to close shop soon," said a FFAP official.

He also claimed that a powerful trading bloc is now pressuring the government to allow it to dump here some 440,000 metric tons of canned sardines surplus from Japan worth almost P550 million.

The FFAP official said the granting of an import permit to this Binondo-based importer will result in

roughly a 50 per cent oversupply of canned sardines.

This would severely affect the 20 local sardine canners, he added.

Encouraged by the ban on canned sardine imports in August 1983, the number of local sardine canners rose from 10 to 20 companies in less than two years.

Philip Co, president of the Philippine Fish Cannery Association (PFCA) said the 20 firms can sufficiently meet the country's canned sardine requirement which in 1984, reached 220 million cans or 440,000 m.t. said.

The FFAP is the umbrella organization of erstwhile rival groups, namely PCFA, Inter-Island Deep Sea Fishing Association,

All decided to unite because of the economic threat posed by the IMF demand.

"The impact of this government move is disastrous," said Gary Que, ex-PFCA president. He bewailed that the lifting of the import ban will wipe out whatever gains the industry has done to boost local food production.

"We are not against competition per se," said one FFAP official, but the government must first enable us to compete with the imported brands on equal footing."

He said among the government rules that disadvantage local canners include the 100 per cent tax on imported electronic fishing equipment like sonars and the 80 per cent tax on imported fishing nets.

The government should also make good its promise of extending a fuel cost rebate to fishing boat operators equivalent to 85 centavos for every liter of gasoline he added.

CSO: 4200/1524

PHILIPPINES

GOLD SMUGGLING REPORTED IN DAVAO

Quezon City ANG PAHAYAGANG MALAYA in English 22 Aug 85 pp 1, 7

[Article by Benjie Guevarra]

[Text]

MONKAYO, Davao Del Norte - Some P1 million worth of gold dust could be smuggled out of the country daily from several "gold villages" in Mount Diwata here by Chinese-Filipino syndicates with strong military connections, according to fortune-seekers who daringly stray put in what is considered the most perilous, strife-torn mine site in the country.

More than 40,000 miners, traders and criminals clustered all over 10 mining "districts" pro-

duce from four to five kilograms of gold daily, officials of the Monkayo Small-Scale Mining Association, Inc. (MSSMA) told Malaya in a recent visit.

MSSMA vice president Emilio Omambat said that incognito Chinese-Filipino merchants, many of them protected by military officials, are hiring "dumags" traders to corner the gold output at the low prices.

"These well-funded merchants are making a killing out of the gold-mining activities," Omambat said, as they are buying gold dust at a meagre P125 to P130 per gram.

At a conservative output estimate of four kilogram a day, the "gold-cartel" profits about P200,000 everyday from the desperate miners alone, since the prevailing rate in Davao City is P200 per gram.

MSSMA officials disclosed that selling their gold to these merchants is a "lesser evil" than bringing it down to Davao City, some 190 kilometers southwest of this fog-laden mountain range where, MSSMA records show, more than 100 determined miners, traders and armed men have either been murdered or died in skirmishes and tunnel cave-ins since January this year.

Since the gold output never lands in the Central Bank, which is hesitant to deploy official buying stations here, the gold dust could have been ferried out to neighboring countries through

the so-called "southern backdoor" - illegal ports lining the sprawling and unguarded coasts of the Davao and Surigao provinces.

It is easier and more profitable to smuggle gold through these illicit ports which unscrupulous loggers use to ship out "hot" logs, noted Omambat, who gave up law practice and his post as deputy manager of a Davao City-based car company when news of the gold rush lured him to Mt. Diwata early last year.

He said the round-the-clock operations of more than 300 registered ball mills - actually motorized cylindrical machines used in pulverizing gold-strewn rocks - show that some 6,000 actual miners strike at least 4,000 grams of gold daily between them.

This conservative estimate does not even include the hushed output of an influential Chinese-Filipino tunnel financier who is shrewd enough to deliver his daily "load" all the way down to Davao City or the capital town of Tagum for milling and grading.

The merchant's daily "load", estimated to contain at least a kilogram of gold dusts, are reportedly escorted down the hazardous mountain trail by heavily-armed military escorts.

Speculations are rife that this rich businessman who uses sophisticated mining gears in his well-guarded tunnels, is enjoying the blessings of a Tagum-based Constabulary officer.

Junior officers of the PC headquarters in Tagum declined to be interviewed, however, in the absence of the PC provincial commander, Col. Gerónimo Valderrama, who was reportedly in Nueva Ecija.

PHILIPPINES

MALAYA HAILS MARCOS ACT AGAINST LOG SMUGGLING

Quason City ANG PAHAYAGANG MALAYA in English 14 Aug 85 p 4

[Editorial: "Needed Safeguard"]

[Text]

There is significant merit in Executive Order 1044 by President Marcos which authorizes a surveillance system for Philippine log exports to prevent the over-shipment and smuggling of logs.

The order came a bit too late to substantially save our forests from destruction and jack up the foreign exchange kitty. Still, there is much to be thankful for that Mr. Marcos at last saw the wisdom of issuing such an order. Log smuggling and over-shipment have been used extensively by unscrupulous businessmen for salting dollars abroad, which in the process creates overnight millionaires who deprive the country of precious foreign exchange. It has been discovered that Philippine log exports to Japan the last few years have been consistently recorded at half their actual receipts, resulting in a yearly over-shipment — and actual loss for the government — of about \$55 million.

But the qualitative loss for the nation is far-reaching. There is reason to believe that forest denudation is a major cause of most floods occurring in many parts of the country, and which consequently exact a heavy toll on human life and cut a wide swath of destruction. The greedy loggers-businessmen would not be affected by the floods, of course, but what about the poor, of which we have so many, who usually bear the brunt of nature's rampages?

The President's order is indeed commendable, from several viewpoints. However, safeguards should also be instituted in the designation of a government representative surveyor in all unloading ports abroad which is a part of the mechanics. If we know how we operate, the surveyors will be bribed and the log smugglers and over-shippers would go on their merry way.

PHILIPPINES

OPPOSITION EDITORIAL HONORS FALLEN POLICEMAN

Quezon City ANG PAHAYAGANG MALAYA in English 8 Aug 85 p 4

[Editorial: "Shining Exemplar"]

[Text]

Today marks the 84th and 10th anniversary of the Philippine Constabulary and the Integrated National Police, respectively.

As part of the joint celebration, medals of valor will be awarded to outstanding PC and police personnel, living and dead.

One of those to be posthumously awarded the *Medalya ng Kabayanihan* is an unknown policeman from Bicol, Efren Daen, whose heroism sparkles like a rare, precious gem in this age of hypocrisy, gross corruption and crass materialism.

Patrolman Daen indeed deserves a niche in military-police history for gallantry in action when he paid the supreme sacrifice in defending the police station of Manito, Albay, from a marauding band of New People's Army commandoes last July 22.

What made the heroic saga of Daen more memorable is the fact that when his bullet-riddled body was discovered, he was clutching our Philippine flag.

The case of Daen comes at a time when the image of the ordinary policeman is not exactly exemplary because of the shenanigans of a few scalawags in the police ranks.

With Daen's death and his valiant one-man stand in warding off the armed insurgents, it is our hope that his colleagues not only in the police but also in the military would be inspired to pursue their profession with more dignity and bravery.

CSO: 4200/1524

SINGAPORE

BRIEFS

CHALLENGE TO CGDK AT UN EXPECTED--The minister of foreign affairs and community development, Mr Dhanabalan, expects Vietnam to challenge the credentials of the Democratic Kampuchean Coalition Government in the coming annual assembly of the United Nations in New York. He said Singapore is always prepared for a challenge. It will take a stand to emphasize the need to continue to denounce the Vietnamese action in Cambodia. Singapore will also express the need to continue support for the resistance groups. Mr Dhanabalan said Singapore's strategy is basically to ensure that the international community does not allow the Vietnamese to get away with what they have done in Cambodia. He was speaking in an interview with SBC [Singapore Broadcasting Corporation] foreign affairs radio program [words indistinct]. Mr Dhanabalan will leave for an official visit to Hungary and Romania tomorrow. He will also visit Washington before going to New York to attend the UN Assembly. [Text] [Singapore Domestic Service in English 1300 GMT 11 Sep 85 BK]

CSO: 4200/1545

SOLOMON ISLANDS

FINANCE MINISTER COMMENTS ON ECONOMY

Honiara GOVERNMENT MONTHLY in English Aug 85 p 4

[Text]

Solomon Islands is facing adverse economic conditions with falling prices for all major exports except fish, a widening trade gap and a steep rise in domestic credit in the first half of this year, according to a statement from the Minister of Finance.

The Minister Mr George Kejoa pointed out that the situation is similar to that which the country faced in 1981. However, on that occasion, he said, SI was fortunate in that an upturn in the US economy, world recovery and better prices for our exports put us back on the upward swing which lasted until 1984.

The Minister said there is no such help on the horizon in 1985. If the trends that have developed in the last few months continue for a year or so, our external reserves would decline to levels that could affect our ability to fulfill all our commitments.

"This cannot be allowed to happen and Government will not allow it to happen," Mr Kejoa said.

"The past few weeks have seen the introduction of a series of monetary measures aimed at combatting the drain on the foreign exchange reserves and discouraging imports and the Ministry of Finance is examining alternatives and putting together a package of fiscal

measures to complement the monetary action taken."

There had been a fair amount of criticism of Government itself in the media he said, and it was accepted that Government must lead the way in putting its own economic house in order and not expect the private sector to shoulder the burden alone.

The Minister revealed that measures are already in hand to improve the rate of revenue collection and to curb wasteful recurrent expenditure.

SI\$ declines

Over the last twelve months there have been very sharp movements in the US dollar, and the Australian and New Zealand currencies. Taking a twelve-month view, the SI dollar has declined in value against the US and NZ dollars, but remained about the same against the Australian dollar.

In spite of the adverse economic situation, Mr Kejoa said, Solomon Islands has an excellent name in the world as a trading partner and as a responsible member nation of the world community.

"The SI economy is fundamentally sound and the banking system is capable of handling any foreseeable monetary needs," the Minister said.

CSO: 4200/1569

THAILAND

EDITORIAL CITES MARCOS REGIME PROBLEMS

Bangkok BANGKOK POST in English 2 Aug 85 p 4

[Editorial]

[Text]

PHILIPPINES President Ferdinand Marcos is no stranger to a crisis. Since his great rival Benigno Aquino was assassinated in bizarre fashion in 1983, the president has been under almost constant pressure from a whole range of issues. Communist insurgency has grown stronger than ever before, anti-Marcos street demonstrations are an almost daily occurrence, the Catholic Church has openly condemned his Administration, while overseas there has been constant and growing US criticism of the Marcos regime. Accompanying all this has been an economic crisis of unprecedented magnitude. Yet, despite debilitating ill health, Marcos has managed to survive.

Now, in perhaps the most serious bid yet at toppling Marcos, the Opposition has resorted to an impeachment call. The president is accused of violating the Constitution and perpetrating serious economic crimes. The charges are based on an investigation by the American newspaper the *San Jose Mercury-News* which claims there have been massive investments in the US by Marcos, his family and associates. Although not an internationally known publication, the newspaper appears to have carried out thorough research and its claims cannot be dismissed lightly. Marcos is also

accused of violating the Constitution by issuing a decree allowing the transfer of money from one ministry to another.

Marcos and his supporters have responded to these latest charges in a typically confident style, saying they will not get anywhere and dismissing them as a publicity stunt by a divided Opposition. Certainly the frag-

mented Opposition has consistently been one of Marcos's greatest strengths and will probably remain so as long as no charismatic leader can be found to unite his opponents. Even Aquino was far from universally accepted as the right man for the job before he was shot dead.

One factor which undoubtedly has irritated Marcos is the cut in US military aid from the proposed \$100 million to \$70 million. The US Congress cited corrupt generals, human rights abuses and the alienation of the people by the military among the reasons for this cut. Marcos responded to what he sees as the US trying to dictate to him his domestic policy by once again questioning the continued presence of the two huge US bases in the Philippines at Clark and Subic Bay. This was a clever move, as booting the American out is one of the few issues that the Opposition is united on. By attacking — or at least question-

ing — the US presence himself, Marcos has succeeded in taking the initiative away from the Opposition. It is highly unlikely that Marcos would want to see the departure of the American bases which are estimated to inject up to \$300 million into the Philippine economy every year.

So while his health holds up Marcos is likely to survive. But the fundamental split in the Philippines gets no nearer to being resolved. Marcos seems to see the future of the Philippines as a choice between himself and the Communists. The Opposition see it as a choice between Democracy and the Communists, and fear that the longer Marcos stays in power, the bigger chance the Communists will eventually have.

CSO: 4200/1530

THAILAND

EDITORIAL NOTES WEAKNESSES IN KPNLF

Bangkok BANGKOK POST in English 27 Aug 85 p 4

[Editorial]

[Text]

DEMOCRATIC Kampuchean Prime Minister Son Sann was not exaggerating when he said that his Khmer People's National Liberation Front needed a good dose of discipline to turn it into a more efficient fighting force. A few weeks ago, while in Europe, Mr Son Sann, who is also the president of the KPNLF, declared the behaviour of some of his men to be less than satisfactory.

Last Saturday, while visiting the evacuation site 2, he told the civilian population of the second biggest Kampuchean city in the world (after Phnom Penh, assuming, of course, that the Khmer capital itself is not overpopulated by new Vietnamese residents) that it was time for his troops to stop complaining about the lack of weapons, "which you may not deserve" and bring some law and order into the nationalist ranks.

It is an open secret that the problems have been getting pretty serious. Some units of the KPNLF have been accused of paying more attention to shady "business enterprises" than to fighting the enemy. Many Kampuchean men and women arriving from the interior to escape communist oppression, after a trip full of traps and dangers, complain of being forced to give away their very last possessions in order to gain entry to KPNLF-controlled camps.

While it would be unfair to put the entire blame on the nationalist group, it is well known in specialist circles that life at site 2, or at the advance base of Chamka Kor, has been getting steadily worse. Mr Son Sann, a man well known for his personal honesty and integrity, has shown some courage by denouncing the excesses of his own men. Of the three factions of the Khmer resistance, the KPNLF suffered the most from the last dry season Vietnamese offensive. It lost all its border bases, its morale was badly shaken and many of its structural weaknesses came to light. The Khmer Rouge have managed to take the war deep inside Kampuchea, the ANS' brave show at Tatum gained the Sihanoukist army a new credibility. But the KPNLF, while trying hard to reorganise, was plagued by internal problems.

Mr Son Sann's admonition, coming as the rainy season slowly approaches its end, should be well understood by its troops. The KPNLF soldiers, like their comrades in arms from the National Sihanoukist army, have a very special responsibility in Kampuchea. They are expected to behave better, not worse, than the others. They are supposed to help and assist the civilian population, not hold them to ransom. They are fighting for an ideal of justice, free-

dom and liberty and not just for pure personal gain.

We understand very well that all this is much easier said than done. The vast majority of the nationalist soldiers have sacrificed a lot to fight for the independence of their country. Most of them are volunteers and ready to give their lives and should not be blamed for the excesses of a few.

No one can expect a guerrilla war to be waged by saints. Corruption does exist in the ranks of the nationalists, but this does not make them an exception in the region. The sad truth is that a few rotten apples can tarnish the ideal. It is time to do something about them. It is time for Mr Son Sann to take some hard but necessary decisions concerning the future of a key movement in the national struggle for a free Kampuchea. Mr Son Sann said he would resign if things did not get better. We sincerely hope that such a drastic step will not prove to be necessary.

CSO: 4200/1530

THAILAND

GENERALS' INVOLVEMENT IN COMMERCIAL VENTURE

Bangkok BANGKOK POST in English 27 Aug 85 p 15

[Article by Pattnapong and Santan Santivimolnat]

[Text]

AFTER planning military strategy for the better part of their lives, a group of elderly soldiers have diversified their skills and are now running a corporation that will act as a trading arm "for everything in sight."

"We will not use any influence in operating our business," ACM Prapa Vejan, managing director of the Mass Development Corporation Limited (MDC), told the *Business Post*.

However, he admitted that the MDC might find it easier to "talk business" because of its influential links and shareholders.

One of the firm's strongest supporters is Supreme Commander Gen Arthit Kamlang-ek. Other influential shareholders include Lt-Gen Chawalit Yongchaiyuth, Lt-Gen Pichitr Kullavanijaya, Gen Banchob Bunag, Lt-Gen Juthai Saengthaveep, Gen Mana Rattanakoses, Lt-Gen Wanchai Chitchanong and Tatri Prapapan, secretary to Industry Minister Ob Vassatna.

The corporation was established last December and registered with the Commerce Ministry on February 1 with 10 million baht capital.

ACM Prapa said that the corporation's main objective was to act as a trading company.

The corporation was the brainchild of a group of retired senior military officers, who believe that they could still serve their country despite retirement.

"We therefore formed this company with the aim of earning revenue to help the armed forces," said ACM Prapa.

He recalled that Prime Minister Prem Tinsulanonda had initiated the idea of setting up the Reservists for the Nation's Security, with Supreme Commander Gen Arthit Kamlang-ek as the project's chairman.

"But the Government did not have enough funds for this scheme, so we agreed to share the corporation's earnings with the project."

However, he said the corporation has not been able to help as much as intended because the Civil and Commercial Code stipulates that a firm may only donate a maximum of 1% of its revenue.

He said that Gen Arthit and a number of other senior officers were studying if there were other ways the corporation could finance the reservists' project.

Despite being in its infancy, the MDC has the potential to become a giant corporation. Its biggest contract to date is the joint distributorship for the country's two liquor giants — Sura Maharas, producer of Mekhong and Kwang Thong whiskies, and the Sura Thip group, which produces 13 "Hong" brand whiskies.

The contract is expected to generate 120 million baht in annual revenue for the corporation.

Its work involves receiving purchase orders from whisky agents and forwarding them to the two producers, which will then deliver the products to the agents and submit lists to the MDC for checking purposes.

"This seems simple, but what we also have to do is to cooperate, through the retired military officers who are still influential, with top military officers in each region in

controlling marketing to ensure that the whiskies are not overpriced or smuggled out of their exclusive zones," ACM Prapa said, adding that this involves a great deal of effort and operational costs.

"We do not aim to earn money for doing nothing," said ACM Prapa, who is the former assistant commander-in-chief of the Air Force.

Asked how the corporation became involved in the liquor industry, he said: "At first, we did not expect to trade in whisky. Our first project was to sell cheap rice but we were asked to act as joint distributor for the two whisky producers to help end their dispute.

The bid to end the lengthy marketing battle between Sura Maharas and Sura Thip group was initiated early last year when the two firms agreed to a settlement that was to benefit both. The report was carried exclusively in *Business Post* on February 14, 1984.

Both agreed then that a third company should be set up to handle their marketing. Each would hold 45% of the new firm's equity, with the remaining 10% held by a third group, reportedly a military organization like the War Veterans Organization.

However, the concept was later abandoned and certain military officers stepped in to mediate a compromise between the two whisky giants.

One of Gen Arthit's close aides, Vice Adm Damrong Sekanan, was reportedly appointed vice chairman of Sura Maharas to lead talks with

Lt-Gen Nop Pinsaikaew, chairman of the Sura Thip group, who is also reportedly very close to Gen Arthit.

Following talks between the two retired officers, both firms agreed in principle to a truce and later to the idea that one distributor handle both firms' marketing. The MDC was reportedly established to serve this purpose.

However, ACM Prapa said he was not involved during the initial stages "so, I cannot say how the story began."

ACM Prapa, who is also a shareholder in MDC, said that the corporation's regulations differed from those of other companies.

"Shareholders of other firms can sell their holding to anybody, at any price and at any time. However, an MDC shareholder cannot do this; if he wants to sell his holding, he must sell it to the corporation and at a price set by the MDC, which will later invite other senior military officers to take over the shares," he said.

Although the MDC has yet to launch full operations, it has already received a certain amount of commission from both whisky producers "to help us fund the establishment of our operation," he said, adding that the corporation has also agreed in principle to finance two projects under the Reservists for the Nation's Security.

The RSN reportedly plans to set up a vegetable oil extracting plant in Kanchanaburi Province and an agricultural project in Phetchabun Province.

THAILAND

AGRICULTURE MINISTRY TO CONTINUE COUNTER TRADE

Bangkok BANGKOK POST in English 23 Aug 85 p 21

[Text]

THE Agriculture Ministry will continue counter trade dealings with foreign governments because the practice is effective in boosting local agricultural commodity prices, Agriculture Minister Narong Wongwan said yesterday.

He told *Business Post* that many countries have offered to barter products such as fertiliser, oil and agricultural machinery in return for commodities such as Thai tapioca, rice and maize.

Details of such deals could not be revealed at present because the ministry had to consult with the Commerce Ministry and Board of Trade over prices and conditions.

Mr Narong said the ministry in 1981 used a counter trade contract to successfully boost the maize price. The price stood at only 1.50 baht per kilogramme and the contract sent it to 2.50 baht, he said.

There has been no change in the price of this commodity since 1981 and Mr Narong blamed the situation on the high moisture content in maize which has led to a high aflatoxin content.

An increase in production was another contributing factor, said

the minister.

Thailand is expected to produce about five million tons of maize this year, compared to last year's 4.5 million tons.

Mr Narong also said yesterday that the Agriculture, Commerce and Finance ministries have agreed with a Cabinet decision to allow 600,000 tons of maize to be mortgaged.

The Bank for Agriculture and Agricultural Cooperatives (BAAC) will pay farmers 80 baht per picul at an interest rate of 14%.

Farmers, however, will only pay 7% interest, with the remainder being absorbed by the Farmers' Welfare Fund.

The mortgage, said Mr Narong, would begin within the next three weeks, after regulations and conditions have been set for the programme.

He added that the ministry has assigned the Marketing Organisation for Farmers to buy maize from the farmers as that would boost the price.

The MOF, which is a state enterprise, will borrow about 51 million baht from the Farmers' Welfare Fund for the maize purchases.

THAILAND

MINERAL EXPORTS, POOR PROFITS DISCUSSED

Bangkok BANGKOK POST IN English 14 Aug 85 p 20

[Text]

ABOUT 419,000 rai or 0.13% of Thailand's land area was being mined at the end of 1984. The country mined a total of 32 minerals last year, the most important foreign exchange earner being tin, accounting for 80% of Thailand's mineral exports. Other important minerals are barite, fluorite, tungsten, zinc, antimony, lead, gypsum, manganese, iron, feldspar and potash. The total value of mineral ore production in 1984 amounted to 9,676 million baht compared to 8,219 million in 1983, an increase of 17.7%. Total value of mineral ore production except tin in 1984 amounted to 3,279 million baht compared to 2,267 million baht in 1983, an increase of 45%. Mineral ore exports amounted to 6,404 million baht in 1984 down 5.9% from 6,806 million in 1983. Royalty collection totalled 1,256 million baht, a decrease of 16% from 1983. Of this total amount royalty from tin accounted for the biggest share at 1,017 million or 81%.

In 1984 there was a total of 1,123 mines in operation, compared with 1,144 mines in 1983. The significant decrease in the total number of operational mines in 1984 resulted in more than 8,000 miners losing their jobs. In the tin sector in 1984 there were 506 mines in operation compared to the 537 mines in 1983, a decrease of 6%.

Areas under offshore mining in Phangnga, Prachuab Khiri Khan, and Rayong provinces totalled 153,000 rai. Onshore concession blocks numbered 2,931 while offshore blocks totalled 57. The tin-rich province of Phangnga had the most

onshore and offshore mining operations with 50,240 rai or 396 blocks located onshore and 90,200 rai or 25 blocks offshore. Phangnga also ranked first as the country's top royalty payer for minerals, more than 30% of total royalty collection.

The 14 provinces in the southern region produced mineral ores worth 5,836 million baht in 1984 and yielded 926 million to the Government in the form of royalties. The provinces are Chumphon, Krabi, Nakhon Si Thammarat, Narathiwat, Pattani, Phangnga, Phattalung, Phuket, Ranong, Songkhla, Surat Thani, Trang, Satun and Yala.

There were 550 mines there last year, providing employment to 31,236 people and producing tin, gypsum, tungsten, barite, lead, lignite, limestone, fluorite, manganese, kaolin, monazite, antimony, ball clay, columbite — tantalite and feldspar.

Phangnga produced minerals with the highest value at 3,065 million baht followed by Phuket which showed 846 million and Ranong with 393 million. Of total royalties paid, tin accounted for 836 million baht.

Thailand's 13 northern provinces produce 18 minerals including lignite, fluorite, tin, wolfram, antimony, barite, manganese and feldspar from 251 mines employing a total of 10,237 workers.

TIN

TIN ore production in 1984 amounted to 29,979 tons as against 27,226 tons in 1983, an increase of 10% as domestic consumption of tin had risen. In 1984 domestic consump-

tion of tin totalled 870 tons, an increase of 24% from 1983. This increase in domestic consumption was due to the expansion of the tin plate and pewterware industries. However exports of tin had been steadily decreasing over the past four years from 11,347 million baht in 1980 to 7,773 million in 1982. Exports of tin fell further to 5,265 million baht in 1983. However, in 1984 exports amounted to 18,455 tons worth 5,280 million baht compared to 17,734 tons worth 5,126 million baht in 1983, minuscule increases of 4.1% and 0.3% respectively. Major markets of tin exports from Thailand in 1984 were the Netherlands with 1,954 million baht compared with 1,706 million in 1983. Second was the USA with 1,933 million baht or a decrease from 2,171 million from 1983.

Mining in general expanded at a satisfactory rate despite the continued depressed tin market situation. During the first quarter of 1985 tin ore production totalled 9,700 tons, a 13.8% decrease from the corresponding period in 1984. This was due to weak demand which resulted from an oversupply of the mineral overhanging the global market, while releases from the tin stockpile continued to be effected by the US Government and a greater application of tin substitutes had been made possible by technological advances. As a result Thailand, a member of the International Tin Council (ITC) has been allocated 30,000 ton and 18,000 ton quotas for tin production and export respectively in 1985.

Exports of this mineral in the first quarter of 1985 amounted to 5,131 tons valued at 1,589 million baht, increases of 0.6% and 11.0% respectively compared to the same period last year. Tin exports continue to be hampered by the ITC quota system. In 1985 it is expected that tin exports will total 18,000 tons valued at 6,000 million baht.

The tin mining industry in Thailand faces a gloomy future due to flagging world demand for tin and a switch to tin substitutes like aluminium. The tin mining industry has been in a depressed state for the last couple of years and tin miners are suffering because of the poor demand for tin on the international market. Compounding the tin miners' woes the ITC in an attempt to reduce supply to the world market and thus stabilise prices, introduced export controls in the form of quota allocation for members in 1983. Even though the tin export quota allocation

is necessary, it has placed constraints on the tin mining industry in Thailand.

In fact the export quota allocation has increased the smuggling of ore out of Thailand to Singapore. The suppression drives carried out by the Thai authorities so far have not been successful. It has been estimated that

the volume of tin smuggled out and the volume exported under the quota allocation are just about equal. Thai miners have for a long time called on the Government to quit the ITC to end this chronic smuggling which is responsible for the Government's losing revenue heavily in the way of royalties and taxes. In the past smuggling activities were carried out by offshore miners. Now with the tin prices in a slump, tin quota limitations and high rates of royalty in Thailand have also led on-shore miners to engage in these smuggling activities as well. Accusations and counter accusations have been flying back and forth that these smuggling activities are under the protection of "influential" people and corrupt government officials.

As long as the world tin situation remains in a slump and high royalty rates for tin are in effect, the smuggling will continue. Sources in the tin mining industry noted that the floor price for tin metal at 29.15 ringgit per kilogramme is just not realistic at this time. In effect the smuggled tin is the beneficiary since it can be sold at an undercut price, making tin exports under the ITC quota uncompetitive. Moreover, the tin ore smuggled out also adds to the oversupply of tin on the world market. The market thus remains depressed by the huge surplus on the world market.

This turn of events is indeed a double irony for Thailand. Thailand's tin miners are not only faced with the ITC's export quota allocations but have to contend with very high royalty rates. For every ton of tin ore smuggled out of Thailand and other countries the ITC buffer stock manager has to buy a ton in order to prevent the price falling below the floor level.

Even though quota allocations for member countries have been effective to some extent in reducing tin supplies, the fact is that the current 80,000 tons surplus exerts a constant downward pressure on tin prices. In order to support the floor-price level of the ITC buffer stock the buffer stock manager has purchased about 80,000 tons.

Thailand's tin stocks in the buffer stock are worth £29 million. The buffer stock manager has to borrow funds for his purchases and the interest charged on the borrowings is extremely high — being estimated at about £50 million annually.

This state of affairs has put Thailand into a real quandary not of its making. The principle of the ITC's buffer stock was fine when the idea of the buffer stock was first mooted. However, activities of the ITC in the past several years have incurred huge interest charges and given rise to trading losses. These losses mean that the members of the ITC have to keep on making contributions to the buffer stock fund.

This is what Thai tin miners, already bedevilled on every front by high production costs, quota allocations (in actuality production cutbacks) a high royalty rates, are up in arms about. They want the Government to bear the burden of the buffer stock or quit the International Tin Agreement (ITA) altogether.

Thai government officials in the tin mining industry have always maintained the inadvisability of Thailand quitting the ITA since this action would hurt Thailand more than help it. The argument held was that a sudden fall in the tin price would adversely affect Thailand's tin mining industry since it is made up mostly of gravel-pump mines with high production costs. Leaving the organisation would endanger the future operations of the more than 341 mines since their earnings would not offset their operating costs. If this were to happen the 70,000 or so people involved in this industry would be equally affected.

The second argument against quitting the ITA is that Thailand is a member of ASEAN and co-founders of the Association of Tin Producing Countries with Malaysia and Indonesia, the two largest tin producers in the world. Consequently, to quit at this stage would definitely affect the concept of ASEAN economic cooperation and in the long term would not be politically expedient as ASEAN's solidarity would be at stake.

Having said this the question arises as to whether it is really in Thailand's best interests to remain in the ITA since the ITC's strategy of tin export quota allocation has high costs. The most important factor is the rampant tin smuggling to avoid the quota restrictions which means a loss of revenue for the Government in terms of royalties and taxes.

The cruellest irony of all is that the tin production cutbacks for Thailand and other ITA members have meant that non-member countries like Brazil, Bolivia, Britain and Canada (all high-cost producers) can increase their production all they want and dump their tin on the world market.

The tin quota allocation strategy designed to help the ITC members in the past has now only reduced the production of ITC countries including Thailand, resulting in a severe contraction of its industry (currently about 60% of production levels before the 1982 quota allocation) and closure of many mines rendering thousands jobless.

Thailand's Council of Mines has proposed to the Government several options concerning royalty cuts and other fees on tin. The council has appealed for a cut of the Thai royalty which is high compared to the other two producers in the region. In addition the council has asked that the existing 8% special fee be removed and that the Government should bear the burden of financial contributions to the ITC's buffer stock.

The Finance Ministry was opposed to the proposals arguing that the abolition would deprive the Government of revenue, while the Government was not in a position to bear the burden of the buffer stock financing. Tin miners also frequently appealed to the Government to withdraw from ITC membership so that they could export without restriction.

The Industry Ministry appeared sympathetic to the tin miners plea to alleviate their distress. In late June this year the industry minister held talks with the finance minister to discuss these issues. In addition the industry minister brought up data prepared by the consulting firm of Ernst & Whinney for the Council of Mines.

The Ernst & Whinney report provided a comparative study on production costs and royalties in Malaysia, Indonesia and Thailand. The fees, royalties and taxes on tin production in Thailand are the highest among the three countries resulting in Thai miners operating at a loss. The report pointed out that based on a current net cost of 14,121 baht per picul, tin produced in Thailand is subject to 3,880 baht in royalty, taxes and fees compared to 1,324 baht in Malaysia and 2,005 baht in Indonesia. The 3,880 baht broken down comes to 3,093 baht royalty, 155 baht special fee and 631 baht for business and municipal taxes. Among the three tin

producers Thai miners were operating at a loss of 206 baht per picul whilst their counterparts in Malaysia and Indonesia were earning 1,033 baht and 1,628 baht respectively.

Operating costs per picul amount to 10,458 baht in Thailand, in Malaysia 11,764 baht and in Indonesia 10,488 baht. The Council of Mines new proposal based on the same cost per picul will earn the Thai Government revenue at 2,460 baht per picul — a breakdown reveals a royalty cut to 855 baht, business tax of 621 baht, corporate tax of 875 baht, 109 baht if the 5% tax on net profit and the special fee are removed.

In the Ernst & Whinney report it was pointed out that in Thailand's case the Government's collection of royalty, taxes and fees was based mainly on sale prices whereas the other two tin producers calculate the fees on profits earned. In addition it also mentioned that the Malaysian and Indonesian governments were more aware of the high operating costs of the miners so there was a more equitable distribution of revenue between the miners and governments, irrespective of world tin prices and market conditions. This does not pertain in Thailand where the Government earns substantially the same while the tin miners were hit by depressed market conditions.

At the end of June this year the Industry Ministry announced reductions in tin royalty of 120 baht and special fee of 75 baht per picul. Cabinet approval has still to be obtained on these cuts. It was also agreed that 50% of royalty will be deducted for tin consumed in the local pewter industry, soldering and tin plate manufacturing.

The president of the Council of Mines, Mr Rathan Kanchanavanit, expressed his disappointment over the Industry Ministry's announcement of the reductions in tin royalty and special fee amounting to only 195 baht per picul instead of the reductions called for by the miners. In the opinion of the president the reduction represented less than 10% of what the miners were calling for.

Consequently this will do little towards alleviating the miners financial difficulties. The financial burden carried by the miners last year will be further aggravated this year with no respite in sight. Debtors miners have been carrying have been steadily increasing over the past three years due to the lower tin quotas imposed by the ITC. This trend is expected to continue for the

next two years. He further mentioned that if the current mining gloom were to continue with no end to the miners trouble in sight, then the legally operating mines would resort to every mean in order to survive, including the smuggling of tin over the quota. The only alternative was to close their mines.

It has been estimated that 40% of tin is being smuggled out of the country to Singapore. The president of the Council of Mines also mentioned that even though the deduction of royalty sold to selected domestic industries could be of some benefit, on the whole this token deduction would not have any far-reaching impact on the financial situation of the tin mines since most of them produce for export.

The state-run Offshore Mining Organisation (OMO) reported in July this year that it had been forced to operate at 50% below capacity due to the export quota restrictions. The current tin price slump is also causing liquidity problems for OMO since it has the added burden of unsold stock amounting to 30,000 piculs in its Southern storage units. The OMO has also suspended expansion plans for more concession blocks off Phangnga and Phuket because of the sluggish market.

Billiton Thailand suspended dredging operations in August last year due to production restrictions stemming from the quota allocation. Billiton's offshore tin mining operations faced a production quota cut of 65%, and could no longer continue operations at only one-third of its full capacity. Billiton's production quota was cut from 1,190 tons in 1982 to 780 tons in 1983. The company expected a quota of 720 tons last year but received only 386 tons.

Another factor for the sharp decline in operations was the fact that Billiton was at one time the only contractor for the Offshore Mining Organisation but last year was one of the companies operating OMO concessions. By June this year Billiton was ordered to liquidate after eight years of operations by its parent company Royal Dutch Shell Group.

BARITE

BARITE is used all over the world as a drilling mud in the petroleum exploration sector. Barite mining companies were urgently seeking government help to expand export markets especially in the US where China has become a keen competitor.

Government authorities were informed that China has stepped up its barite exports to the US so that the latter has imported less from Thailand. Whereas the US has been importing barite to the tune of 100,000 tons in previous years, last year saw a sharp decline of US imports of Thai barite to only 40,000 tons. The American market is large and accounts for 30% of Thai barite exports.

This was why barite miners and the Council of Mines early this year urgently requested government assistance in locating export markets. Government support is also being asked in seeking markets in Eastern Europe under countertrade or barter agreements. The barite producers also pointed out that the demand for barite in the Middle East must also be high due to the petroleum exploration and drill there.

FLUORITE

IN 1984 exports of fluorite showed marked improvement despite the keen competition from other producing countries like China, Mexico and Kenya. Due to better quality control enforced by Thailand, the country's traditional markets placed increasingly larger orders for Thai fluorite since the export price had dropped somewhat. In 1984 exports of all grades of fluorite ore were valued at 368 million baht up against 289 million baht in 1983, an increase of 27%. Of total exports of fluorite 159,662 tons were of chemical grade worth 237 million baht, up 7% in value from 1983. Exports of metallurgical grade ore also increased sharply to 115 million baht.

TUNGSTEN

THE tungsten situation has remained sluggish for the last three years as production slumped in the wake of rising production costs and the declining world prices. The slumping price on world markets for this strategic metal was partly due to overproduction, but in the main were caused by decreased world demand.

About 50% of world tungsten output is utilised in the petroleum drilling industry which is also going through a slump due to a decline in world oil prices. Consumption of tungsten in the steel industry, which is also a major consumer of the metal, also declined significantly because of the world economic recession.

The current sluggish tungsten market was further aggravated by the dumping of tungsten by China which currently is the largest producer. Furthermore the continued release of tungsten from the US strategic stockpile at intervals contributed to further depress prices along with de-stocking and recycling.

Tungsten price plunged to about half from US\$140 per ton in 1981 to about US\$68-\$73 by 1984.

In March of this year nine tungsten producing and exporting countries began talks in Bangkok to set up an association for the purpose of halting the declining prices and to avoid overproduction of the metal so that a degree of market stabilisation can be achieved.

ANTIMONY

ANTIMONY exports in 1984 increased due to the additional new buyers namely France, the Netherlands, Taiwan, Britain and Malaysia. Antimony exports in 1984 were 3,491 tons valued at 107 million baht compared with 3,307 tons worth 42 million in 1983, increases of 81% and 156% in volume and value respectively.

FELDSPAR

FELDSPAR is a major raw material used in the production of ceramics, and Thailand is the only country in the region which has feldspar deposits, at Mae Sot, Tak Province.

Feldspar mining firms have voiced their discontent about unfair royalty collection. The Government has been charging the same rate for both lump and ground feldspar while mines are facing higher production costs. The miners are asking the Government to set up different rates of royalties for lump and ground feldspar.

In the early part of this year a 60 million baht private ASEAN joint venture project between Thailand (60%) and Indonesia (40%) was launched to mine and process feldspar for export to countries in the region. The project envisages the mining of 60,000 tons per year of raw feldspar and quartz to be processed into 27,000 tons of feldspar and 10,000 tons of quartz.

ZINC

THAILAND'S first and only electrolytic zinc refinery produced the first ingot in April this year. The Padang Industry Co Ltd, a Thai-Belgian joint venture involving total investment of more than 3,000 million baht, is the first of its kind in ASEAN.

The refinery has an annual capacity of 60,000 tons and at present about 145 tons of zinc ingots are being produced daily against a daily capacity of 170 tons which will be gradually met.

An informed source noted that everything is working in the company's favour. Prices, zinc reserves and zinc ore content have been found to be at a higher level than was earlier estimated. The estimated selling price of zinc ingot was between US\$700-800 per ton but currently the price is US\$800 per ton for zinc ingots of 99.5% purity. Zinc ingots produced at Padang are of premium grade with a 99.99% purity. The

amount of zinc ore reserves which had earlier been estimated to last about 11 years is now found to be good for about 17 years. Most of Padang's output will go to meet domestic demand which so far has had to rely on imports. Surplus output will be for export to other ASEAN countries and eventually also to Hong Kong and Taiwan.

GOLD

APPROVAL was granted to Ashan Thai Ltd late last year for gold prospecting and mining concessions in Prachin Buri and Narathiwat provinces. Two new subsidiaries of Ashan Thai, Maikhumi Ltd and Chalein will mine the Prachin Buri and Narathiwat concessions respectively. Under the agreement the Government will grant a 25-year concession to the company which is required to pay a 10% royalty.

Number of mines and workers

Minerals	1980		1981		1982		1983		1984		1985 (Feb)	
	Mines	Workers	Mines	Workers	Mines	Workers	Mines	Workers	Mines	Workers	Mines	Workers
Tin	737	68,517	679	46,411	762	43,764	737	49,167	682	42,456	687	39,620
Fluorite	58	3,989	52	2,818	66	2,741	63	2,798	58	2,574	58	3,024
Antimony	36	1,183	27	1,115	39	872	25	801	36	708	36	889
Barite	38	1,686	32	1,512	49	1,667	52	2,033	44	1,695	43	1,610
Wolfram	27	2,545	19	2,030	24	1,051	21	803	12	440	8	379
Gypsum	9	312	10	830	13	530	18	621	20	627	20	604
Manganese	14	505	11	504	11	457	16	580	12	738	15	813
Iron	6	259	4	183	6	209	4	83	5	207	6	244
Lead	7	549	6	634	11	779	10	1,083	12	431	12	442
Mercury	8	203	8	192	7	192	—	—	1	33	—	—
Feldspar	15	345	13	308	21	439	23	471	23	421	24	616
Others	—	—	—	—	—	—	—	—	—	—	—	—
Total	1,644	98,513	988	70,218	1,149	68,340	1,144	84,913	1,123	68,252	1,100	64,480

Source: Dept. of Mineral Resources

*Including Sri-Lankan mines

Production of principal minerals

Tons	1977	1978	1979	1980	1981	1982	1983	1984
Tin	33,044	31,210	48,384	45,906	42,96	35,644	27,225	29,978
Tungsten	4,278	6,182	4,543	3,134	2,348	1,861	1,083	1,439
Lead ore	1,190	3,945	20,515	24,847	40,642	43,718	49,456	39,204
Antimony	5,774	6,759	6,905	6,862	2,820	1,567	2,808	4,636
Manganese								
Battery grade	4,762	6,635	7,168	3,996	5,205	3,398	4,804	6,110
Metallurgical grade	72,137	85,498	28,156	50,303	5,707	4,348	1,906	2,577
Chemical grade	63	78	42	11	5	12	—	—
Iron	63,470	88,121	103,101	84,906	62,472	26,750	40,304	80,670
Gypsum	380,080	280,804	352,388	411,977	540,383	753,433	780,367	1,110,660
Lignite	438,570	638,942	1,356,467	1,426,566	1,686,044	1,963,764	1,886,083	2,337,226
Fluorite								
metallurgical grade	183,135	175,531	177,730	172,784	157,311	178,084	159,959	230,228
Low grade	46,480	84,255	82,122	121,859	113,867	104,519	77,715	57,151
Marl	584,720	1,458,880	2,261,700	1,838,568	1,788,855	457,525	—	—

Source: Bank of Thailand

Exports of principal minerals

Volume:		Tons		Value:		Million		Tin		Fluorite		Barite		Tungsten		Antimony		Other Minerals		Total	
Year	Volume	Value	Year	Volume	Value	Year	Volume	Value	Year	Volume	Value	Year	Volume	Value	Year	Volume	Value	Year	Volume	Value	
1976	30,048	2,873	284,387	285	87,157	58	4,082	532	8,017	99	117,482	58	519,053	4,048							
1977	21,437	4,542	241,458	279	94,245	58	3,971	798	3,990	80	183,481	132	528,583	6,413							
1978	28,943	7,229	306,687	208	185,122	107	5,774	1,020	5,594	85	140,919	158	582,048	8,825							
1979	31,388	9,252	219,380	262	288,882	182	3,808	820	3,882	108	187,808	282	718,647	11,648							
1980	33,965	11,347	228,285	314	381,400	282	3,637	847	5,704	106	238,788	382	887,770	14,935							
1981	30,074	9,081	221,838	332	279,985	232	1,983	379	5,288	80	288,200	413	758,958	11,858							
1982	28,913	7,888	174,917	318	285,908	297	1,385	288	2,822	38	429,125	903	820,300	9,743							
1983	17,724	5,280	230,137	288	204,532	186	2,732	220	3,037	42	589,822	889	952,132	6,805							
1984	18,455	5,280	230,137	288	204,532	186	2,732	220	5,491	107	824,540	233	1,285,887	6,404							
1985	5,131	1,589	40,150	78	88,380	75	248	33	1,784	38	239,358	328	395,047	2,142							

Source: Dept. Of Business Economics

CSO: 4200/1530

THAILAND

EDITORIAL ON UNEMPLOYMENT

Bangkok BANGKOK POST in English 1 Aug 85 p 4

[Editorial]

[Text]

YESTERDAY'S forecast by Labour Department chief Chamnan Pojana that unemployment will show a marked increase in the next 12 months makes sobering reading, but hardly comes as a surprise. With the international economy apparently entering a recession and an alarming move towards protectionism around the world, there seems little chance the situation is going to improve for some time to come.

Although Mr Chamnan forecast that the present official unemployment figure of 1.7 million is likely to hit two million by 1985, in reality the figures are probably considerably higher. The official figures do not take into account the vast number of underemployed people in this country or agricultural workers whose employment is at best seasonal.

The unemployment trend does not look at all promising. According to a survey of 516 firms in and around Bangkok, in the last eight months, 20,000 have lost jobs, including 8,000 from the textile industry. Country-wide the total number of workers laid off in 1984 was nearly 140,000. If, as seems highly likely, the US Congress passes its controversial Jenkins Bill which will severely effect Thai

textile exports to the US, the situation is going to get considerably worse. And unemployment is no respecter of status or education. At present there are an estimated 120,000 unemployed graduates in Thailand and by 1991 this figure is expected to reach 300,000.

What can the Government do to tackle this unenviable situation? One suggestion has been to upgrade the Labour Department to a Bureau or even that of a Ministry. Considering how crucial a factor unemployment is in the economic and political stability of any country, this would seem to be common sense and one wonders why this had not been done years ago. However, it will take more than a name change to be able to come to grips with the problems. The new organisation will have to be given considerable power and authority so it can enact job-creation schemes and other methods to fight unemployment without getting bogged down in bureaucracy.

Judging from its past record, the Government has shown it is aware of the enormous implications of unemployment — but recognising the problem is considerably easier than solving it. In this year's May Day speech Prime Minister Prem Tinsula-

nonda said his government was determined to create jobs both in urban and rural areas, and the Government has introduced many rural development projects to back this promise. But at a time when markets for Thai goods are falling, whether it be a result of protectionism or natural supply and demand causes, the task of creating enough jobs is going to get increasingly difficult.

Unemployment is a blight today in most countries of the world, including established industrial nations like Great Britain. It is going to require considerable governmental involvement, both in pursuing the correct economic course and earning cooperation from the private sector, to keep our unemployment problems down to a minimum.

CSO: 4200/1530

THAILAND

NORWEGIAN FIRM IN OIL WORK

Bangkok BANGKOK POST in English 26 Jul 85 p 21

[Text]

IN a major preparatory move to take over Texas Pacific Thailand Inc's gas field complex in the Gulf of Thailand, the Petroleum Authority of Thailand has asked the Norwegian national oil company to conduct a feasibility study of the field's development and gas use.

The undertaking is in accordance with a cooperation accord, yet to be signed, between PTT and Norway's Den Norske Stats Oljeselskap (Statoil).

The agreement was reached in principle when a group of PTT executives, led by chairman Chaovana na Sylvanta, visited Oslo last March.

The undertaking of the study is a new chapter in the saga of uncertainty over how the gas complex should be developed. Both the Thai Government and TP (an affiliate of the Seagram Group, the world's largest spirit distillers) hold different views.

Lack of a price agreement between them has held up development. Negotiations have been underway for more than seven years but without success.

The feasibility study is broadly divided into two phases: a reservoir study

and a study on field development and utilisation.

The first study, which began recently at Statoil's laboratory and is based on geological data supplied by PTT, will basically determine how much gas exists in the company's gas fields.

TP's two gas fields, "B" and "E" structures, have combined potential gas and condensate reserves of 7,587.8 billion cubic feet and 46.5 million barrels of oil/condensate, according to an estimate by the Department of Mineral Resources.

The scope of work for the second stage of study has yet to be finalised by the two parties but will basically focus on how the offshore gas fields can be developed and utilised.

Statoil is expected to deliver its report, carried out without any money involved, late next year.

Meanwhile, negotiations between PTT and TP on the sale of gas concessions are proceeding sluggishly.

TP has reportedly offered to sell its entire interest in four Gulf blocks to PTT for over US\$100 million.

A PTT negotiator yesterday told *Business Post* that he expects something concrete to materialise by yearend.

THAILAND

MOVE TO QUIT RUBBER CARTEL

Bangkok BANGKOK POST in English 27 Aug 85 p 13

[Article by Smarn Sudto]

[Text]

THAILAND is considering withdrawing its membership from the International Natural Rubber Organisation (INRO), a source in the Agriculture Ministry has said.

The source told *Business Post* that a working group was studying the pros and cons of Thailand's membership in the organisation in the wake of declining natural rubber prices in the world market.

The working group was set up after last week's meeting of the natural rubber policy committee chaired by Deputy Agriculture Minister Borom Tanthien, he said.

He added that the Cabinet has also cast doubts over the effectiveness of the INRO, particularly its ability to maintain declining natural rubber prices. The price of natural rubber recently tumbled to about 16 baht per kilogramme against 19 baht.

Thailand has contributed a total of 700 million baht to the INRO since joining it in 1980. Thailand is committed to contribute a total of 1,300 million baht for the purchase of natural rubber to support prices.

However, the INRO has only bought 600 tons of Thai rubber for its buffer stock, the source said. Recently, the Kuala Lumpur-based organisation submitted a letter informing Thailand that it must contribute another 180 million baht to the buffer stock fund. The contribution must be made before September 10.

"As it was not certain that the Government would be able to make the contribution, officials began considering if Thailand should retain its membership in the INRO, particularly in view of its effectiveness," the source said.

However, an official of the Agriculture Ministry's Department of Agriculture has opposed the move.

He said it was necessary for Thailand to retain its membership because withdrawal would only create problems as the country is the world's third largest producer of natural rubber, after Malaysia and Indonesia.

A decision will depend on the results of the working group's study, he added.

He said the department would submit a letter to the Cabinet next week, explaining the need to remain in the INRO and asking the Cabinet to allocate funds for the INRO contribution.

CSO: 4200/1530

THAILAND

JAPAN NOT TO RESUME MAIZE PURCHASES

Bangkok BANGKOK POST in English 19 Aug 85 p 15

[Text]

JAPAN has no specific plans of resuming purchases of Thai maize even if a planned trial purchase proves satisfactory, according to the deputy director-general of the Foreign Trade Department.

Chatchaval Sukitchavanich said he was questioning members of a 12-man delegation from the Japan Feed Trade Association, who arrived in Bangkok last Thursday and is scheduled to remain until Wednesday to hold talks with Thai government officials and exporters.

The delegation is also expected to inspect maize plantations, loading facilities and silos.

The team met Mr Chatchaval and Board of Trade president Somphob Susangkarn last Friday and made the observations of crop plantations and other facilities over the weekend.

They will meet Thai maize exporters to discuss maize prices today

and tomorrow at the Montien Hotel. The exporters include Capital Rice Co, Continental Overseas Corp, UMC International Corp and C.P. Intertrade Co.

Mr Chatchaval said the talks would be a follow-up to deadlocked negotiations held earlier this year over the marginal grain price differential.

He said the JFTA has pledged to buy about 10,000-20,000 tons of maize on a trial basis. The pledge came after three trips to Thailand, he added.

However, Mr Chatchaval quoted the team as saying that Japanese importers had no plans of resuming purchases of Thai maize even if the trial purchase proved successful.

Japan, once a major importer of Thai maize, suspended purchases three years ago when it began buying grain from the United States. Japan imports about 14 million tons for local feed production.

CSO: 4200/1530

THAILAND

FOREIGN CURRENCY CHECKS

Bangkok BANGKOK POST in English 15 Aug 85 p 1

[Text]

INCOMING air travellers will have a new arrival card to fill as of today, which is aimed at controlling the amount of foreign currency brought into the country through Don Muang Airport.

The new forms will be larger in size, and will have points of law governing the possession and smuggling of foreign currencies printed in red ink on it.

The Customs Department said this will make the legal information more easily noticed by arriving passengers, who must declare when entering the country any sum above US \$2,000 or equivalent in foreign currencies.

After officials have been informed and the

amount recorded in a separate form, the concerned passengers will be given a copy which must be produced when leaving.

Smuggling charges will be brought against those caught trying to leave with foreign currency they failed to declare on arrival.

The Customs Department said that from January to July, this year, its officials managed to stop more than 120 million baht in foreign currency from being smuggled out of the country. Some 70 per cent of the offenders were reportedly foreign tourists and businessmen.

The alleged smugglers face criminal proceedings if they contest the charges.

CSO: 4200/1530

PEOPLE'S REPUBLIC OF KAMPUCHEA

BOU THANG RECEIVES SRV LECTURERS DELEGATION

BK091417 Phnom Penh SPK in English 1125 GMT 9 Sep 85

[Text] Phnom Penh, 9 Sep (SPK)—Bou Thang, Politburo member of the People's Revolutionary Party of Kampuchea [PRPK] Central Committee, vice premier and minister of national defence, received in Phnom Penh on Sunday a delegation of Vietnamese lecturers headed by Vo Quang Trinh, vice president of the Commission for Propaganda and Education of the Communist Party of Vietnam Central Committee. Also present at the reception were Men Sam-an, member, and president of the Commission for Propaganda and Education, of the party Central Committee; and other Kampuchean officials.

After praising their lecturing tour in Kampuchea, Bou Thang informed his guests of the development of Kampuchea since liberation which, he said, cannot be separated from the effective assistance of the party and the Government of Vietnam.

He condemned the perfidious moves of the enemy who persisted in undermining the Kampuchean revolution and the revolution of the three Indochinese countries as a whole. However dark the enemy schemes may be, Bou Thang stressed, the Kampuchean revolution still continues to step forward and will win.

For his part, Vo Quang Trinh hailed the all-sided development of the Kampuchean revolution during the past years and expressed his belief that the special ties of friendship and solidarity between Vietnam and Kampuchea will be ever lasting.

The delegation left Phnom Penh Monday morning after a 10-day visit to Kampuchea. It was seen off by Nim Thot, vice president of the Commission for Propaganda and Education of the PRPK Central Committee, and other Kampuchean officials.

While in Kampuchea, the delegation gave seven lectures to cadres and workers in Phnom Penh and Kandal Province. It also attended a meeting in Phnom Penh to mark the 40th anniversary of the Vietnamese August revolution (19 August) and the 40th national day of Vietnam (2 September). The delegation also visited the Tuol Sleng Museum of genocide, the National Museum and the former royal palace in Phnom Penh and the Angkor Wat Temple in Siem Reap-Odder Meanchey Province.

CSO: 4200/1538

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

GIFT TANKERS FROM SRV--Phnom Penh, 4 Sep (SPK)--Two tankers with a capacity of 100 tonnes each as aid from the Vietnamese people were presented to the Ministry of Posts, Transport, and Communications of Kampuchea. Present at the delivering ceremony held in Phnom Penh Wednesday were Tea Banh, alternate member of the People's Revolutionary Party of Kampuchea Central Committee and minister of posts, transport, and communications of Kampuchea and Ngo Dien, Vietnamese ambassador to Kampuchea. [Text] [Phnom Penh SPK in English 1058 GMT 4 Sep 85]

GREETING TO BULGARIA'S ZHIVKOV--Phnom Penh, 7 Sep (SPK)--Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the PRK State Council, has congratulated his Bulgarian counterpart, Todor Zhivkov, on the latter's 74th birthday. Heng Samrin wishes Todor Zhivkov the best of health, energy and longevity and the Bulgarian people new, greater successes in building developed socialist society. He wishes the friendship and multiform cooperation between the two countries further development. [Text] [Phnom Penh SPK in English 1100 GMT 7 Sep 85]

CSO: 4200/1538

MILITARY AFFAIRS AND PUBLIC SECURITY

SONG BE PROVINCE SECURITY MAINTENANCE RECORDS LISTED

BK150645 Hanoi Domestic Service in Vietnamese 0500 GMT 14 Sep 85

[Text] In recent years, the public security forces of Song Be Province systematically did a good job in launching a mass movement for the defense of national security. Public security organs have sent a large number of cadres to the various districts, townships, city wards, and villages to conduct a publicity campaign to promote the people's participation in the movement to safeguard national security by suppressing crimes, protecting state secrets, and making city wards, villages, public organs, and enterprises safe and strong. The province has set up a total of 3,716 people's security cells, 40 assault youth security teams with almost 1,300 members, and 147 fire brigades with more than 2,200 members; and organized and consolidated hundreds of guard units belonging to public organs, enterprises, city wards, and villages. These organizations meet monthly to discuss and firmly grasp the status of security and public order in the areas under their jurisdiction.

In many localities, people's security cells, working in coordination with people's arbitration and inspection cells, have resolved numerous controversies that arose among the local people. Assault youth security teams belonging to many units have satisfactorily protected state property and limited the incidence of negative phenomena.

In the past, assisted by the people's security organizations, the provincial public security forces have promptly discovered and put down a number of cases involving reactionary attempts, cracked down on criminals, and prevented wheeler-dealers from pilfering socialist property. The public security forces have confiscated more than 3,700 book copies, nearly 3,000 music cassettes, and 15 film reels having a reactionary and decadent cultural content; and transformed hundreds of persons who had earned their living by playing on the people's superstitious beliefs.

CSO: 4209/640

MILITARY AFFAIRS AND PUBLIC SECURITY

PARTY DIRECTIVE ON CARING FOR WAR INVALIDS

BK121503 Hanoi NHAN DAN in Vietnamese 18 Jul 85, p 1

["Full text" of CPV Central Committee Secretariat's 15 July 1985 directive on care of war invalids, families of fallen heroes, and families credited with meritorious services to the revolution]

[Text] Over the years, the implementation of various systems and policies regarding war invalids, families of fallen heroes, families credited with meritorious services to the revolution, veteran revolutionary cadres, and retired cadres (collectively known as persons and families credited with meritorious services to the revolution) has shown great improvement. The emulation movement to win the titles "Model Citizen" and "Model Revolutionary Family"--now being initiated in various localities--has been instrumental in encouraging and motivating persons and families credited with meritorious services to develop their revolutionary tradition, set their examples in overcoming difficulties, and make their contributions satisfactorily to the motherland.

In the face of the ever-growing number of persons entitled under party and state policies to special treatment, efforts to manage, care for, provide encouragement to, and implement various policies and systems regarding persons and families credited with meritorious services to the revolution have still displayed many shortcomings that need to be overcome quickly if we are to carry out satisfactorily the task of "having the entire party and people care for and protect persons and families credited with meritorious services to the revolution."

On the occasion of the celebration of this year's War Invalids and Fallen Heroes' Day (27 July 1985) and the 40th anniversary of the founding of the SRV and in compliance with the resolution of the party Central Committee's eighth plenum, the Secretariat requests that all localities, sectors, and mass organizations carry out satisfactorily the following tasks:

1. Have various echelons and sectors hold sessions to review their activities in managing and caring for persons and families credited with meritorious services to the revolution and in promoting the implementation of various policies and systems toward these persons and families. On this

basis, they must take practical steps to develop their strong points, overcome shortcomings, and commend those persons and families credited with meritorious services and those organizations and localities (provinces, districts, precincts, wards, and villages) with good achievements while warning, criticizing, or disciplining those seriously violating policies and systems regarding persons and families credited with meritorious services to the revolution.

2. It is necessary to step up the movement to build "Model Citizens" and "Model Revolutionary Families" by trying to enlist the response of a large number of persons and families credited with meritorious services at the grass-roots level while launching a movement among the entire people, especially the younger generation, to learn from and imitate good examples. It is necessary to reorganize the pattern of political activities at various echelons for persons and families credited with meritorious services, especially retired cadres and soldiers, to disseminate party and state policies and lines and important news of current affairs to them in a regular and timely manner.

It is necessary to exploit rationally these persons' capabilities to make contributions at the grass-roots level. On the other hand, efforts must be made to guard against the enemy's psychological sabotage propaganda and to prevent and deal promptly with cases involving abuse of the names of persons credited with meritorious services to carry out illegal activities, thus discrediting the revolution and undermining revolutionary tradition.

3. It is necessary meticulously and realistically to care for the spiritual and material lives of persons and families credited with meritorious services and to carry out satisfactorily all party and state policies and systems affecting them. Specific attention must be paid to those persons and families credited with meritorious services or beset with numerous difficulties; to veteran revolutionary cadres; to those families having many fallen heroes; to those critically disabled or sick soldiers; to aging, ailing, and helpless retired cadres, and to those children of fallen heroes who are not being cared for.

In implementing the resolution of the party Central Committee's eighth plenum on prices, wages, and money, all echelons must ensure the complete payment of allowances in conjunction with efforts to index wages to cost-of-living increases. The Ministry of War Invalids and Social Welfare must study and propose to the Council of Ministers improvements in some policies and systems to suit the situation and the "one-according-to-his-work" principle while reflecting party and state policy on favored treatment.

4. Organizing well this year's War Invalids and Fallen Heroes' Day to encourage persons credited with meritorious services and motivate the people to implement policies and systems affecting these persons. It is necessary to strengthen the organizational structure of war invalids and social welfare organs at various levels, especially at the district, precinct,

and grass-roots levels so they can ensure the implementation of this task. Efforts must be made to accelerate the process of considering awarding the Independence Order to those families with many fallen heroes in accordance with party policies. The state must decorate those families already chosen for this occasion.

Localities, sectors, and mass organizations must devise concrete plans for the implementation of this directive. The Ministry of War Invalids and Social Welfare must cooperate with the party Central Committee's Organizational, Propaganda, Civilian Proselyting, and Emulation Departments in directing the implementation. The Ministry of War Invalids and Social Welfare must quickly study and propose to the state ways to improve and amend policies and systems affecting persons and families credited with meritorious services in accordance with the spirit of the resolution of the party Central Committee's eighth plenum.

CSO: 4209/640

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

HANOI SECURITY EXHIBITION--On the afternoon of 11 September, a delegation of the Hanoi municipal party and people's committees led by Le Van Luong, member of the party Central Committee and secretary of the Hanoi party committee, and Tran Vy, member of the party Central Committee and chairman of the Hanoi people's committee, visited the exhibition on 40 years of protecting the revolutionary power jointly organized by the Ministries of Culture and the Interior at the Van Ho Central Exhibition Center in Hanoi. The delegation was accompanied by Phan Tam Long, director of the Hanoi Public Security Service. Le Van Luong and Tran Vy paid special attention to the display showing the glorious fighting and building of the public security forces of Hanoi and Ho Chi Minh City. They expressed satisfaction over the outstanding exploits of the people's public security forces throughout the country in general and of the Hanoi capital in particular in defending the party, the revolutionary administration, and the people's peaceful life. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 12 Sep 85 BK]

CSO: 4209/640

INTERNATIONAL RELATIONS, TRADE, AND AID

HANOI REVIEWS CRITICISM OF THAI FOREIGN POLICY

BK111200 Hanoi Domestic Service in Vietnamese 0015 GMT 11 Sep 85

[Text] Closing their eyes to reason and reality, up to now the Thai authorities are still stubbornly maintaining the genocidal Pol Pot clique and using it as an instrument to oppose the PRK and Vietnam. This policy of Bangkok is in line with that of Beijing. Press opinion in many countries and even the press and a segment of political circles in Thailand have strongly criticized this erroneous and harmful policy of the Bangkok authorities. It has been clearly pointed out that if Thailand continues to embrace adamantly the corpse of the genocidal Pol Pot, the Cambodian issue cannot be solved and Thailand will have to shoulder forever a burden that it should not have to bear. Here is our review of some public opinion concerning this issue.

Recently numerous foreign correspondents have gone to Bangkok to consider and analyze the consequences of Thailand's policy toward the Indochinese countries. Thai scholars, intellectuals, students, statesmen, and national assemblymen have expressed more clearly than ever their views concerning the Thai Government's foreign policy. They have stressed in particular the fact that Thailand's support for the genocidal Pol Pot clique constitutes a serious obstacle to any solution of the Cambodian issue and drives Thailand into isolation.

A correspondent of the U.S. news agency AP clearly pointed out in an issue of THE NEW YORK TIMES: For 6 years now, Thailand has pursued the policy of supporting various groups of Cambodian rebels opposed to the ruling government in Phnom Penh. The Thai border adjacent to Cambodia is the operational base of these Cambodian forces. From this area, Pol Pot's troops and other Cambodian groups have carried out activities against the government of President Heng Samrin, which is actually administering Cambodia.

For this reason, a special correspondent of the U.S. paper THE WASHINGTON POST affirmed: Thailand has come under heavy fire for its foreign policy toward Southeast Asia. Several ASEAN countries are dissatisfied with Thailand because the latter depends rather heavily on China to oppose the Indochinese countries. If Thailand, does not show greater flexibility, it will risk being isolated, even from its ASEAN friends.

To the correspondents of the Japanese news agency KYODO, Thailand's continued assistance to Pol Pot's forces, which in reality is to oppose the Phnom Penh administration, has stirred up much skepticism among public opinion. Everyone knows that Pol Pot is a cruel man. Even Sihanouk has on several occasions pronounced Pol Pot to be his mortal enemy. A question then arises: Why has Bangkok continued to back Pol Pot and to support his bid to return to power in Cambodia? Thailand cannot deny its lack of objectivity in this issue. For this reason, it has been taken to task by many circles, including the Bangkok press.

On 26 August 1985, the Thai paper MATICHON carried the views expressed by a young intellectual, Mr Prathip Nakhonchai, holder of an MA degree in political science from Thammasat University, at a panel discussion held on 7 August. Mr Prathip said: The Indochina issue is not one of Vietnam wanting to assimilate the Cambodian nation as it has been widely speculated. The issue stems from the Khmer Rouge's policy, and the Khmer Rouge are the root cause of the problem. For this reason, the Khmer Rouge are the main obstacle to the settlement of the Indochina issue. But, why do we have to defend the Khmer Rouge? The Khmer Rouge have no right to a second chance, just as we would not have given Hitler and Tojo a second chance. If we continue to protect the Khmer Rouge, how can the Cambodian issue be brought to an end?

On 27 August, the Thai paper SIAM RAT wrote: In the eye of the world, the Khmer Rouge have now become a monster. When they were in power, they killed Cambodians in a very barbarous manner. It is very strange indeed that Thailand has recognized and supported the Khmer Rouge and does not dare to drop them. The article emphasized: The time has come for Thailand to abandon the Khmer Rouge and hold talks with Vietnam. If we talk with Vietnam, we will not have to waste our money buying F-16 aircraft. If peace is restored in the region, we will be able to resolve the problem of Vietnamese, Lao, and Cambodian refugees. We will also be able to settle the Khmer Rouge problem by allowing them to go to China or the United States. We will have more favorable conditions for trade and for achieving peace in the region without wasting lives and weapons. As a matter of fact, in the Cambodia issue, we have up to now maintained relations only with faceless people--that is, the Khmer Rouge, Son Sann, and Sihanouk. Cannot we have ties with Heng Samrin?

On its part, the Thai paper NAEON NA appealed: Let us stop our support for the genocidal Pol Pot clique. Only by so doing will we be able to find a solution to the Cambodian issue and will Thailand as well as ASEAN be able to concentrate on caring for and developing their economies.

CSO: 4209/640

INTERNATIONAL RELATIONS, TRADE, AND AID

ARMY PAPER ARTICLE ON NONALIGNED MOVEMENT

BK111346 Hanoi Domestic Service in Vietnamese 1430 GMT 10 Sep 85

[QUAN DOI NHAN DAN 10 September article by (Tran Nhung): "The Nonaligned Movement Persists in Its Militant Objectives"]

[Text] The nonaligned foreign ministers recently concluded their 4-day conference 4-7 September in Luanda, the capital of Angola. This was an important event for the Nonaligned Movement following the New Delhi conference in mid-1983 to assess the activities of the movement at a burning stage of the world situation and to determine the path of struggle to advance the movement continually.

The conference was held in Southern Africa, a strategically vital area and a burning point on the planet where the fierce struggle against old and new colonialism and apartheid is taking place. Its purpose was to review the activities of the Nonaligned Movement since the 1983 New Delhi conference. The nonaligned countries determined and unified their action and struggle objectives for a burning new period of the world situation. At the same time, they were preparing for the 1986 summit.

In the current situation, the unification of struggle objectives and procedures of nonaligned countries is a very urgent demand aimed at coping with the frenzied counterattack of the U.S.-led imperialist and international reactionary forces. The Nonaligned Movement, which has developed stronger now than ever before, is playing a very important role in international life.

The plots and acts of intervention and aggression by the United States and other reactionary imperialist forces have increasingly complicated and strained on the world situation. Nations on the planet are very anxious over the speed of the present arms race in the world. The danger of a nuclear holocaust is dangling above the heads of all people.

The Reagan administration, on the one hand, has intensively increased its military budget and plunged headlong into the arms race. On the other hand, it has frantically counterattacked the national liberation movement by its aggression against and intervention in all places of the world, from the Central American and Caribbean zones to Northeast and Southeast Asia, the Middle East, and South Africa. It has plotted to check and repel the national liberation struggle in these strategic areas.

To conceal this criminal adventure and deceive public opinion, the United States has striven to slander and distort the policy of peace and goodwill of the Soviet Union and other socialist countries by fabricating the so-called Soviet danger. At the same time, through insidious political, economic, and cultural maneuvers, it has penetrated ever deeper into the developing countries, placing these countries under its command baton.

Washington has further exploited the differences among some of the nonaligned countries to deepen the abyss of hostility and fan up the flames of war to secure at last a pretext under which to invade the countries and reestablish the yoke of cruel colonialist domination. Such a situation has posed urgent demands on the Nonaligned Movement to remain united and accelerate its struggle spearheaded at the United States, the biggest international gendarme of our times, and other international reactionary forces. In this fierce struggle, the Nonaligned Movement, with the backing of the Soviet Union and the rest of the socialist community, is doing its best to support the developing countries in their effort to consolidate their national independence, build a sovereign national economy, and gradually escape from poverty and dependency.

It is universally known that at present, the developing countries that are members of the Nonaligned Movement are faced with serious economic difficulties. This disaster stems first of all from the prolonged domination of colonialism and the unjust and cruel policies of exploitation practiced by imperialism. It has been further aggravated by the burden of the arms race and by the imperialist countries' dumping of the burden of the economic crisis on the developing countries.

This conference of the nonaligned countries' foreign ministers marked a new step of development of the Nonaligned Movement not only in defining the struggle for peace and international security, staving off the danger of a nuclear holocaust, exposing the real economic woes of many nonaligned countries, and establishing suitable forms for South-South cooperation, but also in that most of the nonaligned countries persistently upheld their principles and militant objectives and sternly criticized a number of member countries for having, in pursuit of bigoted national interests, sold out to the colonialists and imperialists and turned themselves into Trojan horses to carry out sabotage from within the Nonaligned Movement.

The conference affirmed its common voice of support for the struggle movements of the Central American, Caribbean, Middle East, and South African nations, especially those of Nicaragua, El Salvador, Cuba, Afghanistan, Angola, Namibia, and other nonaligned countries that are being subjected to aggression, intervention, encirclement, and blockade by imperialism and international reaction.

Deeply concerned over the grave and volatile situation in Southeast Asia, the conference of the nonaligned countries' foreign ministers devoted much time to debating the problems of this region. The majority of countries

clearly realized that the true cause of tension in Southeast Asia is the interventionist and aggressive policy of the hegemonistic expansionist, colonialists, and imperialists. These forces are stubbornly carrying out policies of opposition and sabotage against the Indochinese countries in the military, political, and economic fields. Many nonaligned countries welcomed and expressed sympathy and support for the peace initiatives advanced by the Indochinese countries at the conference of the foreign ministers of Vietnam, Laos, and the PRK held recently in Phnom Penh with a view to opening a realistic, rational, and reasonable path for solving the problems of Southeast Asia, including the Cambodian issue.

If the ASEAN countries truly want to resolve the tense situation in Southeast Asia and positively respond to the goodwill of the Indochinese countries, this will lead to a peaceful, stable, friendly, and cooperative Southeast Asia in keeping with the legitimate and extremely pressing aspirations of all countries in the region.

Vietnam, a member of the Nonaligned Movement, has, right from the start, worked actively for the growth of the movement, and, together with other active members, persistently upheld the set principles with a view to ensuring the correct course for the struggle of the Asian, African, and Latin American nations. Now as before, our people are doing their best to contribute to the world revolutionary movement and wholeheartedly support the nations that are rising up to regain independence and freedom, reestablish a new world economic order, and advance on the path of prosperity.

We are resolved to join the Asian, African, and Latin American nations of the Nonaligned Movement in holding aloft the banner of unity in the struggle to defeat all the schemes and acts of sabotage by imperialism and international reaction led by the United States, for peace, national independence, democracy, and social progress.

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INTERNATIONAL RELATIONS, TRADE, AND AID

TRAN QUYNH ARTICLE ON SOVIET ASSISTANCE

BK120308 Hanoi NHAN DAN in Vietnamese 18 Jul 85 pp 1, 4

[Article by Tran Quynh, member of the party Central Committee and vice chairman of the Council of Ministers: "Victory of the Friendship and All-Round Cooperation between Vietnam and the Soviet Union"]

[Text] Precisely 30 years ago today, President Ho Chi Minh, representing our country, signed an agreement on Soviet economic and technical assistance designed to help heal the wounds of war and restore and develop our national economy.

This important event marked the inevitable development of the relationship that has long bound our country together with the world's first socialist state, thus opening up a new chapter in the history of relations between the two parties and peoples.

Over the past 30 years, the all-round relations between our country and the Soviet Union have helped us overcome all ordeals and have been constantly consolidated and developed in the two people's interests and in the interest of world peace and revolution.

Throughout these 30 years--during the anti-U.S. war of resistance for national salvation as well as during the struggle to build and defend the socialist Vietnamese fatherland--the Soviet Union always sided with Vietnam and provided our Vietnamese people with its strong support and its great, valuable, and effective assistance.

Implementing the agreement signed on 18 July 1955 and ensuing agreements, and with Soviet assistance, we built many important projects including the Thac Ba hydroelectric plant and the Uong Bi thermoelectric plant which were the largest plants of our country at that time. We restored the operation of and built a number of open coal pits and coal shafts. We built the Hanoi machinery plant that was the first machine tools factory in Vietnam and which was also the elder offspring of the then infantile Vietnamese mechanical engineering sector. The construction of the Lam Thao superphosphate factory and the Lao Cai apatite mine provided timely services for agricultural development. We also succeeded in building a network of state farms and forestry sites and setting up a number of food

processing establishments and light industry establishments. With Soviet assistance, we succeeded in basically eradicating the then prevalent malaria and trachoma.

During the anti-U.S. war of resistance for national salvation, the Soviet Union also provided our people with large quantities of important equipment and commodities as well as weapons and other military hardware. Soviet-made missiles, antiaircraft guns, and aircraft used by intelligent and talented Vietnamese developed their efficiency to the fullest. The victory of the "Dien Bien Phu-sized air battle"--in which many U.S. B-52 strategic bombers were shot down--went down in history as a shining victory.

The great economic and military assistance given by the Soviet Union was one of the decisive factors leading to the total victory of our people in their wonderful resistance that liberated all of southern Vietnam, brought about national reunification, and moved the whole country toward an era of independence, unification, and socialism.

Following the liberation of the south, our national economy suffered great upheaval because of the consequences of the U.S. imperialists' neocolonialism and because the Beijing expansionist-hegemonist clique openly betrayed our people by suddenly cutting off their economic aid to our people and waging two border wars of aggression against us.

Loyal to its international obligation, the Soviet Union has given its resolute support and great assistance to our people. With the treaty of friendship and cooperation signed on 3 November 1978, the relationship between our country and the Soviet Union has entered a new era substantively.

Following its decision to abolish all our country's debts to the Soviet Union--totaling 1,080 million rubles--the Soviet Union has pledged to provide nonrefundable aid to our country, helped us continue to build those projects left unfinished by China, and supplied us with significant quantities of equipment and commodities in order to meet pressing requirements for ensuring the people's lives and maintaining and developing production. With Soviet assistance, we have been able to step up the construction of many important projects for various economic sectors and strengthen our national defense capabilities.

Thoroughly aware of the watchword "Electricity must go one step ahead," we have built many large-scale energy projects such as the 660,000-kilowatt Pha Lai thermoelectric plant which, with an output of 440,000 kilowatts in the period following the completion of the first phase of construction, will be our country's largest thermoelectric plant in terms of its size. The coal consumption rate of all its generators will be much lower than that of other thermoelectric plants now in operation. After many years and months of hard and intensive work, we have, one by one, put the first two groups of generators into operation, thus contributing to improving efforts to meet energy requirements in the north. Cadres and

workers now at the project construction site are striving to complete the assembly of the third group of generators by the end of this year. From this, they will advance toward achieving the objective of putting the entire plant into operation by 1986 in order to supply the national economy with 2.8 billion kilowatt/hour per year.

The construction of the 1.92 million-kilowatt Hoa Binh hydroelectric plant is now underway. Cadres and workers together with Soviet experts at the project site are overcoming numerous problems and hardships with a determination to achieve the objective of putting the first group of generators with an output of 240,000 kilowatts into operation by 1987. With a total production volume of 1 billion kilowatts/hour [figure as published] of the first group of generators and of remaining groups of generators, this hydroelectric plant--the largest in Southeast Asia--will have a great effect on the operation of the industrial and agricultural sectors and will contribute to improving the efficiency of our entire national economy. The Hoa Binh hydroelectric plant project will also be highly instrumental in cutting down on the degree of flash floods on the Red River and increasing the water flow on the Red and Da rivers during the dry season, thus facilitating the shipping activities between the lowlands and the northwest.

The 420,000-kilowatt Tri An hydroelectric plant on the bank of the Dong Nai River will, when completed, have a total production volume of 1.6 billion kilowatts/hour [figure as published] and will be highly instrumental in improving the electricity supply to Ho Chi Minh City and other southern provinces and in irrigating hundreds of thousands of hectares of land in the eastern Nam Bo region. Given the current pace of construction, the first group of generators of this plant will also likely be put into operation by 1987.

Our country's coal sector is trying to devise uniform methods to use, with greater result, the Soviet aid to quickly increase its coal output in order to meet the pressing requirements of various economic sectors and for export.

With Soviet assistance, our country's communications and transportation sector has quickly restored the North-South rail line in a short time, thus meeting the economic, political, and emotional needs of our people following the unification of the country. We have also completed building the Thang Long bridge spanning the Red River--a great and spectacular project--and are building the Hanoi railhead and renovating and expanding Haiphong seaport and other important communications lines.

We are taking intensive steps to complete construction of the Song Cong diesel engine manufacturing plant in order to assist efforts to develop agriculture, communications and transportation. We are building various specialized machinery plants, machine repair workshops, and machine spare parts manufacturing plants, and are gradually building up a modern machinery industry in Vietnam.

The Soviet Union has also helped the construction sector with technical bases and equipment and with the building of various construction materials factories, of which the Bim Son cement factory--with an output of 1.2 million metric tons per year--and the Xuan Mai union of housing building enterprises--capable of building 100,000 square meters of houses per year with the use of large-size concrete slabs--are now producing, and construction has begun on the Dap Cau window pane factory, which will have an output of 3.2 million square meters of window panes per year.

Over the years, the Soviet Union has served as a main source of supply for our country in terms of fuel and other essential raw materials. It has helped us overcome numerous difficulties and serious imbalances in our national economy, maintain and develop production, and stabilize our people's lives. For our part, we have striven to export to the Soviet Union various items of our traditional goods such as farm produce, food industry and light industry products, fine art and handicraft objects, and various types of mineral ores.

While the volume of our exports to the Soviet Union is still not even with that of imports from the Soviet Union, the Soviet Union has granted us a significant credit loan in order to make up for our trade deficit and to subsidize commodity prices, and has taken steps to promote Vietnamese exports.

The scientific-technical cooperation between our country and the Soviet Union is becoming increasingly diversified and comprehensive and has brought about realistic results for socioeconomic development in our country. Responsible organs of the two sides are continuing to discover those forms and methods that can help link the scientific-technical cooperation more closely with various key economic and scientific-technical cooperation programs of our state in order to contribute to quickly making our country's scientific-technical potential strong enough to tackle the tasks involved with socialist construction in our country.

Over the past 30 years, the Soviet Union has helped our country train nearly 20,000 scientific-technical cadres. Of these, nearly 4,000 possess higher education. This is a valuable asset. With Soviet assistance, our country's contingent of scientific-technical cadres has developed in terms of number, knowledge, and professional structure, and is developing its positive effect in production and in scientific teaching and research work.

Here we must express our profound gratitude to the thousands of comrade Soviet specialists who have come to help our country. Despite the unsuitable climate and many deprivations in daily life, they have devoted themselves day and night to their work, considering the cause of Vietnam as that of their own country, thereby setting a shining example of pure proletarian internationalism. Many of them have been honored with high titles and orders by our state and have left indelible impressions in the memory of Vietnamese cadres and workers.

In recent years, the cooperation between our country and the Soviet Union has been developed in both its scale and its form. A new development is that the two countries have begun to put into effect various targeted programs of cooperation under which payments are made in the form of products.

Foremost in these programs is the cooperation between the two countries in the form of joint ventures in oil and gas production in the continental shelf of South Vietnam. The search and prospecting for oil and gas in this area have yielded encouraging results, thereby laying the firm grounds for the strong development of Vietnamese oil and gas industry.

We are about to complete the program of cooperation with the Soviet Union for the planting of 50,000 hectares of new rubber trees. At present, on the basis of an agreement concluded between the two countries, we are making urgent preparations for the signing of a protocol on cooperation in planting another 110,000 hectares of rubber trees. With the cooperation of the Soviet Union and other fraternal countries, conditions will be created in the future for us to fully satisfy the demands of the Soviet Union and other fraternal countries for this important product.

Vietnam and the Soviet Union are also expanding the implementation of the program for cooperation in the planting of vegetables, fruit trees, coffee, tea, tobacco, and other industrial crops.

These large-scale cooperation programs have created favorable conditions for our country to exploit its natural resources and its potentials in land and labor to create sources of goods for export, thereby providing a means for payments of debts and for achieving accumulation of capital needed for socialist industrialization.

Thanks to the fertilizers and supplies provided by the Soviet Union, to the support of the industries built with Soviet assistance, and to the new managerial mechanism, including the policy of product contracts with labor teams and laborers, we have recorded outstanding achievements on the agricultural front in recent years. We are now on the verge of self-sufficiency in grain, despite the population increase by 1 million per year.

Against the background of the international and regional situations and as part of the relations between the two countries, the recent visit to the Soviet Union by our country's party and government delegation, led by Comrade General Secretary Le Duan, and the talks between our party and government delegation and the Soviet party and government delegation as well as those between Comrade General Secretary Le Duan and Comrade General Secretary M.S. Gorbachev took on especially important significance.

The Soviet Union has decided to provide Vietnam with considerable assistance for the 1986-90 period which is more than double that of the preceding 5-year period.

The Soviet Union has decided to give our country credit with preferential terms to import complete equipment and settle the payment for the import surplus of goods and supplies from the Soviet Union; and it has allowed our country to delay payment for all past debts. The Soviet Union has also decided to increase by a significant amount the supply of petroleum, oil, fertilizer, iron, steel, and cotton to our country.

The Soviet Union has agreed to help us complete construction work, make intensive investment, carry out standardization, and build almost 100 projects.

The two sides have agreed to step up the exploitation of petroleum and natural gas on the South Vietnamese continental shelf with a view to achieving the highest output possible in 1990; build oil refinery and petrochemical projects, nitrogen fertilizer plants, and new energy projects; and improve and increase the traffic capacity of the various rail lines.

The material-technical bases of socialism must necessarily include modern engineering and metallurgy. Through these talks, the Soviet Union has pledged to help us build a series of engineering plants and start construction work on a steel mill having an annual capacity of 500,000 metric tons--the first stage of a metal combine with an annual capacity of 2 million metric tons which is now under economic-technical feasibility study.

The two sides have also agreed to increase cooperation in stepping up the production of goods in which the Soviet Union is interested, first of all natural rubber, soybean, and other short- and long-term industrial crops; and in contracting labor for the production of leather shoes, light industry products, and small industry and handicraft goods.

Of particular importance is that the two sides will concentrate efforts on starting large-scale projects aimed at ensuring the supply in great quantities of vegetables, fruits, grain, foodstuffs, and industrial consumer goods of ever-improving quality to Siberia and the far eastern region of the Soviet Union.

The results of this visit to the Soviet Union by our party and state delegation mark a period of higher, deeper, and broader development in the cooperation between our country and the Soviet Union, which is firmly built on the basis of the two parties' absolute loyalty to Marxism-Leninism and their complete identity of views and objectives concerning the positions and roles of the two countries in the world and in this particularly important region. Consolidating and strengthening the comprehensive relationship between the Soviet Union and Vietnam is to meet the interests of the people of both countries as well as to serve the cause of defending peace, national independence, and socialism in Southeast Asia and in the Asia-Pacific region as a whole, and to contribute to defeating the counterrevolutionary strategy of U.S. imperialism working hand in glove with expansionist and reactionary forces in the Asia-Pacific region.

From the bottom of their hearts, our entire party and people sincerely thank the glorious CUSU and the great Soviet Government and people for their generous assistance. Fully aware that the Soviet Union is shouldering many heavy duties and has to spend a great deal of money for national defense to effectively cope with the warlike policy of the Reagan administration--which is frenziedly promoting the arms race and trying to militarize space in an attempt to gain military superiority--and knowing very well that the Soviet people still face difficulties in their daily life, our people are moved even more deeply by the lofty spirit of proletarian internationalism and the loyal fraternal sentiments displayed by the Communist Party and people of the Soviet Union toward our people's cause.

For their part, our state organs and our entire people are dutybound to seriously implement the directive of the party Central Committee Political Bureau by making the most of the assistance from and cooperation with the Soviet Union and by fulfilling their commitments to it. This is a matter of conscience, of duty, and of honor for the party organizations at all levels, for the comrade ministers and heads of various ministries and sectors, for all localities and establishments, and for each of us Vietnamese vis-a-vis the fraternal Soviet people.

Encouraged by the great and precious assistance from the Soviet Union, our people are resolved to bring into full play the spirit of self-reliance in national construction. At the same time, we will make every effort to strengthen our special relations with the fraternal people of Laos and Cambodia, enhance our relations of cooperation with other fraternal socialist countries, develop our relations of economic, scientific, and technical cooperation with the independent nationalist countries, and broaden our economic ties with other nations on the basis of firmly maintaining independence and sovereignty and of equality and mutual benefit.

Our party and people pledge to do their utmost to vigorously strengthen all-round cooperation with the Soviet Union, the pillar of the socialist system, the impregnable bastion, and the reliable prop of the revolutionary and peace forces throughout the world. This is the basic and unchanging strategy of our party and state. It constitutes an important guarantee for our people to successfully build socialism and firmly defend the socialist Vietnamese fatherland. It is also a dictate of the minds and the hearts of our communists and our entire people.

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INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN PRAISES SOVIET PEACE INITIATIVE

BK131322 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Sep 85

[NHAN DAN 12 September commentary: "The Soviet Union's Important Initiative and Just Stand for the Sake of Peace and Security in the World"]

[Text] The very important peace proposals recently put forth by the Soviet Union and the views of Comrade Gorbachev, general secretary of the CPSU Central Committee, in his interview with the U.S. magazine TIME, are receiving the special attention, sympathy, and support of broad segments of world public opinion.

As Comrade Gorbachev clearly pointed out: Despite the recent negotiations between the Soviet Union and United States in Geneva on nuclear and space weapons and despite the agreement by both sides to hold a Soviet-U.S. summit meeting in November 1985, the dangerous U.S. arms race is still intensifying and the war threat is not subsiding. The U.S. side must be responsible for it. While broad segments of world public opinion warmly welcome the Soviet decision to unilaterally refrain from deploying anti-satellite weapons in outer space and suspend all nuclear weapons tests and consider this decision as important initiative which helps prevent the militarization of outer space and check the nuclear arms race, the Reagan administration rejects the Soviet peace proposals and bluntly states that the United States will continue to conduct nuclear tests and will stop only when its nuclear test program has been completed.

Meanwhile, Washington has not put forth any proposal for disarmament and has responded to the Soviet proposals of good will by intensively accelerating the nuclear arms race and plotting to militarize the outer space. The Pentagon recently tested the long-range MX missiles carrying 10 nuclear warheads--one of the three strategic weapons launched from underground tunnel--continues to manufacture long-range B-1 bomber aircraft and Trident submarine carrying nuclear missile launch pads.

The Washington administration is still conducting nuclear tests which everyone knows are aimed only at producing new weapons of more dangerous and destructive power. It has increased the production of chemical weapons, including the very dangerous 2-element toxic weapons. More seriously, the Reagan administration said that it would test the anti-satellite weapons in outer space (ASAT) in September 1985, to shoot the real targets in space.

This is an action that directly leads to the initial deployment of a new type of weapon--the offensive space weapon--beginning the implementation of the stars war plan of the Reagan administration which is being vehemently condemned by broad segments of world public opinion, and is being objected by even some of the U.S. allies.

In conducting the test of this very dangerous weapon right at this time juncture--2 months before the Soviet-U.S. summit and at the time when the third round of Soviet-U.S. talks on nuclear and space weapons is about to be held in Geneva--it is clear that the Reagan administration's goal is to produce that type of weapon, plotting to negotiate from a position of strength in order to gain military superiority over the Soviet Union. This is also a brazen challenge to large numbers of UN member countries--the largest international organization of which the United States is also a member--right at a time when the UN General Assembly is going to meet on 19 September to mark the 40th anniversary of the UN Charter that solemnly pledges to preserve world peace and security and save future generations from the disaster of war.

Washington's real scheme is to intensify and not to reduce the nuclear weapons, to expand and not to limit the arms race, to increase and not to reduce the war threat, and to strain on and not to ease the tense situation in the world which is burning hot.

All this has laid bare the deceitful allegation of U.S. Vice President George Bush on 10 September that President Reagan was working day and night to ensure real progress at his coming summit meeting with Soviet leader Gorbachev in order to move towards peace.

The Reagan administration's dangerous acts are accomplished at a stage when the Soviet Union proposed at the Geneva talks a total ban on offensive space weapons, including the anti-satellite facilities, and the destruction of such existing facilities. Just like the proposals for reducing strategic nuclear weapons and medium-range nuclear weapons, the Soviet unilateral decision to suspend nuclear weapon tests clearly show who truly desires peace and disarmament and who is frenziedly conducting the arms race, further poisoning the tense situation in the world, threatening peace and security of nations, precluding the Soviet-U.S. talks in Geneva, and causing difficulties to the coming Soviet-U.S. summit.

The Soviet Union's stance as expounded in Comrade Gorbachev's interview with the magazine TIME is a clear and righteous one. It is another show of goodwill and a high sense of responsibility which responds to the ardent aspiration and genuine interests of peace-loving people all over the world.

Being always eager to take the lead in achieving disarmament, opposing the arms race and the danger of a nuclear war, the Soviet Union is determined not to let the United States seek ways to break the current strategic balance to its own advantage.

This strategic balance is an important factor to ensure peace and security of nations. The Reagan administration cannot pressure the Soviet Union to accept the limitation of nuclear and other weapons while the United States refuses to agree on the demilitarization of outer space.

Public opinion has shown understanding of the Soviet Union's firm declaration that in the event the United States conducts tests of its anti-satellite weapons aimed at targets in space, the Soviet Union will consider itself not bound by its former unilateral commitment not to introduce anti-satellite means into space. This is totally essential to ensure peace and security of nations in the face of arrogant and belligerent acts of the U.S. imperialists.

There is always a stronger among the strongest. The extremely important and urgent task of the peoples of all countries is to protect peace. To achieve this noble task, it is necessary to resolutely struggle to prevent, repel, and foil all of the dangerous plots and acts of the United States that is frenziedly accelerating the nuclear arms race, to nakedly expose the deceitful tricks and allegations of Washington, and to demand the United States respond to the Soviet Union's constructive proposals by seriously negotiating at the Soviet-U.S. talks in Geneva of which the third round will begin on 19 September and at the Soviet-U.S. summit meeting in November as well.

Nothing can prevent the revolutionary and peace forces from vigorously advancing in the struggle for a peaceful life.

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INTERNATIONAL RELATIONS, TRADE, AND AID

HANOI CITES NATIONAL DAY GREETINGS FROM ABROAD

BK151140 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Sep 85

[Text] The leaders of France, Sweden, Finland, Australia, Indonesia, Burma, Malaysia, the Philippines, and Thailand have greeted the 40th anniversary of our national day.

The message of greetings from French President Francois Mitterand to Truong Chinh, chairman of the SRV Council of State, says among other things: I would like to extend to Your Excellency my warmest greetings. I hope that the relations of friendship and cooperation between our two nations will be further strengthened with each passing day in the future.

The message from King Gustave Carl XVI of Sweden to Truong Chinh, chairman of the Council of State, says in part: I would like to extend to Your Excellency my sincere and best greetings. I wish you good health and happiness and the people of the SRV prosperity.

In his message to Truong Chinh, chairman of the Council of State, Mauno Henrik Koivisto, president of the Republic of Finland, says among other things: May I extend to Your Excellency the Chairman my warm greetings. I would like to wish you and the Vietnamese people happiness.

The message from (Jim Anthony Rowland), acting governor general of Australia, to Chairman Truong Chinh, says in part: It is my sincere wish that the multifaceted and developed relations between our countries will continue to develop.

The message from Indonesian President Suharto to Chairman Truong Chinh says among other things: I hope that the present close relations and cooperation between our two countries will continue to develop successfully in the coming years.

In another message to Chairman Pham Van Dong, President Suharto says: The government and people of Indonesia join me in extending to Your Excellency our warm greetings.

On this occasion, Indonesian Vice President Umar Wirahadikusumah has sent a message of greetings to Nguyen Huu Tho, Le Thanh Nghi, and Chu Huy Man,

vice chairmen of the Council of State. Indonesian Foreign Minister Mokhtar Kusumaatmaja has also sent a message of greetings to his Vietnamese counterpart, Nguyen Co Thach.

In his message to Chairman Truong Chinh, Burmese President San Yu says in part: On behalf of the State Council and people of the Socialist Republic of the Union of Burma and in my own name, I am glad to extend to Your Excellency my warm greetings and friendly regards.

The message from Burmese Prime Minister Maung Maung Kha to Chairman Pham Van Dong says: The Council of Ministers of the Socialist Republic of the Union of Burma join me in extending to Your Excellency and, through you, to the government and people of Vietnam our sincere and warm greetings.

On this occasion, Burmese Foreign Minister Chit Hlaing has also sent a message of greetings to Foreign Minister Nguyen Co Thach.

In his message to Chairman Truong Chinh, paramount ruler of Malaysia, Sultan Iskandar al-Haj says among other things: On the occasion of the 40th anniversary of the SRV's independence day, my queen joins me in extending to Your Excellency our sincere greetings. We wish Vietnam progress, happiness, and prosperity.

In his message to Pham Van Dong, chairman of the SRV Council of Ministers, Malaysian Prime Minister Mahathir Mohamed says: I am convinced that the friendly relations between our two countries will be strengthened in the coming years.

On this occasion, Malaysian Foreign Minister Tengku Ahmad Rithauddeen has also sent a message of greetings to his Vietnamese counterpart, Nguyen Co Thach.

The message from Philippine President Marcos to Chairman Truong Chinh says in part: On the occasion of the 40th anniversary of the SRV's national day, Madame Marcos and the people of the Philippines join me in extending to Your Excellency our heartfelt greetings.

In his message to Chairman Pham Van Dong, Philippine Prime Minister Cesar Virata says: I am very glad to extend to Your Excellency my sincerest and best greetings.

On this occasion, Acting Philippine Foreign Minister Pacifico Castro has also sent a message of greetings to SRV Foreign Minister Nguyen Co Thach.

King Phumiphon Adunyadet of Thailand has sent a message of greetings to Truong Chinh, chairman of the Council of State. In his message to Chairman Pham Van Dong, Thai Prime Minister Prem Tinsulanon extends his sincere greetings and best wishes for the progress and prosperity of the SRV. On this occasion, Thai Foreign Minister Sitthi Savetsila has also sent a message of greetings to SRV Foreign Minister Nguyen Co Thach.

INTERNATIONAL RELATIONS, TRADE, AND AID

FOREIGN LEADERS GREET SRV NATIONAL DAY

BK131329 Hanoi Domestic Service in Vietnamese 0500 GMT 12 Sep 85

[Text] On the occasion of the 40th anniversary of our country's national day, Comrade General Secretary Le Duan and our party Central Committee have received many messages of greetings. The message from Comrade Ali Nasir Muhammad, general secretary of the Yemeni Socialist Party and chairman of the Presidium of the Supreme People's Council of the People's Democratic Republic of Yemen, said: On the occasion of the anniversary of the SRV'S National Day, we extend to you, comrade, our warmest greetings. This anniversary is highly honored not only by the Vietnamese people, but also by all nations struggling for freedom, independence, and progress. The Vietnamese country's gaining independence has opened a new chapter in the history of struggle of the Vietnamese people, who have founded the first worker-peasant state in Southeast Asia and have made great achievements in every-day life. They have set the most beautiful example in persistently sacrificing themselves for national sovereignty, freedom, progress, and unification. On this occasion, we would like to express our people's, party's, and government's pride over the close militant solidarity between us and your country on those principles and objectives for which we are struggling. Let us reassert our people's solidarity with the Vietnamese people's persistent struggle against the imperialists' and reactionaries' attempts to undermine your revolutionary gains and national sovereignty.

The message from Comrade Schmidt, chairman of the West Berlin SED, said: The West Berlin SED and the CPV have been closely bound together by Marxism-Leninism and by their absolute loyalty to the principles of proletarian internationalism. Between the Vietnamese people and those progressive forces in our city, there has existed an unshakable friendship and solidarity. We are convinced that the long-standing close fraternal relations between our two parties will continue to be strengthened and developed in a friendly manner.

The message from the Swedish Marxist-Leninist Party Central Committee said: The Vietnamese people under the leadership of the Communist Party founded by Comrade Ho Chi Minh have captured a special place in the hearts of all revolutionary and democratic forces around the world as a result of the historic victories they scored in their struggles against French colonialism and U.S. imperialism. These victories are of great significance not only

for the Vietnamese people but also for all mankind. We note with great pleasure that Vietnam's diplomatic efforts aimed at improving the stability and security in the region have scored ever greater progress.

The message of greetings from PLO Executive Committee Chairman Yasir 'Arafat to Council of State Chairman Truong Chinh said in part: I highly value the support and assistance given by the party, government, and people of Vietnam and by yourself to our people's national liberation struggle for their inviolable national rights, including the right to return to their fatherland, the right to self-determination, and the right to found an independent Palestinian state on their beloved fatherland. I wish the Vietnamese people success in achieving their lofty goals.

The message of greetings from Mr Saddam Husayn, president of the Republic of Iraq, to Council of State Chairman Truong Chinh said in part: On the occasion of your country's national day, I, on behalf of the Iraqi people and on my own behalf, would like to extend to you my warmest greetings. I wish your country prosperity. I also hope that the friendly relations between our two peoples will be increasingly strengthened and developed.

On the occasion of the 40th anniversary of our country's national day, Mr Denis Sassou-Nguesso, president of the People's Republic of Congo, sent a message of greetings to Council of State Chairman Truong Chinh. The message reads in part as follows: I am convinced that by living up to their fighting tradition, the Vietnamese people will be able to score ever-greater successes in their economic construction and national defense and in the maintenance of peace.

The message from Mr Canaan Banana, president of the Republic of Zimbabwe, to Council of State Chairman Truong Chinh said in part: I would like to express my pleasure at the existing friendly relations between our two countries. I am firmly convinced that these friendly relations will be increasingly strengthened for the benefits of the two peoples.

The message from Mr Simon Muzenda, acting prime minister of Zimbabwe, to Council of Ministers Chairman Pham Van Dong, said: The government and people of Zimbabwe note with pleasure that the friendly relations between our two governments and peoples have been increasingly strengthened. I am convinced that these relations will be developed. I also hope that our two countries will achieve close cooperation in various international fields for the sake of world peace and stability.

The message from Mr Mathieu Kerekou, president of the People's Republic of Benin, to Council of State Chairman Truong Chinh said in part: The Benin people, the Benin People's Revolutionary Party Central Committee, the National Executive Council, and I myself are very pleased at the wonderful friendly relations, the effective cooperation, and the vivid solidarity that have bound our two people together. I hope that these relations will be further consolidated and developed for the sake of a peaceful, just, and social progress-oriented world.

On the occasion of the 40th anniversary of our country's national day, Mr France Albert Rena, president of the Republic of Seychelles, sent a message of greetings to Council of State Chairman Truong Chinh. The message said: On the occasion of the SRV'S national day, I, on behalf of the government and people of Seychelles and on my own behalf, would like to extend to you, comrade, my warmest greetings.

The message from Mr Didier Ignace Ratsiraka, president of the Democratic Republic of Madagascar, to Council of State Chairman Truong Chinh said in part: On the occasion of your country's national day, I, on behalf of the people, the [?] Revolutionary Council, the Government of Madagascar, and on my own behalf, am very glad to extend to you, comrade, my warmest greetings. I wish the Vietnamese people prosperity. I also hope that the relations between our two countries will be increasingly consolidated and developed. On this occasion, Madagascar Foreign Minister Jean Bemananjara sent a message of greetings to Foreign Minister Nguyen Co Thach.

CSO: 4209/640

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN ON THAI SCHOLARS' VIEWS ON CAMBODIA

BK161020 Hanoi NHAN DAN in Vietnamese 10 Aug 85 pp 2, 4

[Text] Is it wise for Thailand to pursue its "tough" foreign policy of tailing after China and the United States in the Cambodian issue? This is the main topic of a debate that was opened on 6 April 1985 in Bangkok by some 40 scientists, politicians, and diplomatic officials. Through the Thai press, it is clear that now is the time for the government of Prime Minister Prem to reconsider its policy toward regional issues, especially the Cambodian question.

While the debate was being held in Bangkok, the People's Joint Action Committee for Democracy in Thailand released a white book expressing its concern over the situation at the Thai-Cambodian border. The committee pointed out that such a policy would only "drive Thailand onto an adventurous warpath, undermine investments and tourism, and cause serious economic losses." Analyzing Thailand's strategy in the world today, Dr Somchai Rakwichit said: "If the war drags on with the Khmer Rouge continuing to operate along the Thai-Cambodian border, China supplying arms through Thailand, and the tripartite coalition freely using Thai soil, Thailand's military budget must be bigger. The Thai army will be destroyed in Indochina if it gives all-out support for Chinese attacks on Vietnam and Cambodia."

More and more people have realized that it is very harmful to prop up the corpse of the genocidal regime. In their view, "only China wants to maintain the bridge (with the Pol Potists), and it is more and more adventurous for Thailand to continue on its present course." The People's Joint Action Committee for Democracy immediately protested against the appeal by ASEAN for aid to the ghost "coalition government" because this would only "create an opportunity for China to make its covert supply public, thus driving Thailand--the transit country--into confrontation with Vietnam." The paper THE NATION quotes a scholar as commenting on China's stance regarding Cambodia: "China would only accept a solution that guarantees its interests in Cambodia and recognizes its protege." Meanwhile, a diplomatic official admitted: "If support for Democratic Kampuchea continues, the first picture one can visualize will be one of China's increasing influence in the region" (THE NATION, 25 April).

Not a few people hold that China's continued arms supply to the tripartite coalition "is enough to cause trouble to Thailand." The paper THE NATION (27 April) points out that the interests of Thailand and those of China regarding Cambodia are "dissimilar."

In Thailand, the People's Joint Action Committee for Democracy is not alone in holding that "it is necessary to stop recognizing the three Khmer factions." Dr Somchai Rakwichit advised that the Thai Government should "extricate itself from the Cambodian and Indochinese issue." Another scholar adds: "Thailand must negotiate with Vietnam as early as possible because a drawn-out conflict in Cambodia would cause more suffering to Thailand. To protect genuine national interests, it is necessary to put an earliest end to this conflict" (THE NATION, 27 April).

Vietnam "has no intention to invade or occupy Thailand" (THE NATION). Vietnam does not threaten anyone, and it "is not a threat to the security of Thailand," (Dr K. Chunhawan told ASIA WEEK, 21 June). Rejecting the allegation that "Vietnam has violated the right to self-determination of the Cambodian people," Dr K. Chunhawan writes: "Why have the 5 million Khmer people not risen up against Vietnam? The just reason for this is that the fundamental policy of Vietnam is to help Cambodia revive, and no Khmer wants Pol Pot to come back." This is an undeniable fact.

More and more Thai have recognized another fact: In stubbornly clinging to its hard policy of refusing dialogue, Thailand has become "increasingly isolated" and bumped into two obstacles: The Pol Potists have been battered, and "Pol Pot is an unforgettable murderer" (The DIPLOMACY, July). In the review SU ANAKHOT, Prof Sukhumphand Boriphat clearly points to the factors showing that "the situation is fast deteriorating for Thailand," and he emphasizes his country's "ever-growing need to seek genuine peace and to reconsider its policy toward the Khmer Rouge and dialogue and to stop backing the Khmer Rouge." Many analysts in Bangkok, worried that "before long, Thailand will be driven into a serious confrontation," question the government: "Is it wise to pursue a tough policy in Cambodia?" A military analyst told the FAR EASTERN ECONOMIC REVIEW (4 July); "The government wants to avoid the debate, but it has now felt worried already."

Member of Parliament K. Chunhawan notes: "The hard foreign policy pursued by Thailand under the influence of China and the United States is now faced with difficulties, and Thailand's diplomacy is beginning to shake." Member of Parliament Songtham Panvadi flatly rejects Foreign Minister Sitthi Savetsila's statement that Thailand's support for Democratic Kampuchea is meant to defend its sovereignty." He considers this "harmful and tantamount to inviting the enemy home." The paper NEAO NA (21 July) observes: "Mr Songtham Panvadi has seen the realistic aspect, and the nation should listen to his view."

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

LONG AN AID TO SISTER CAMBODIAN PROVINCE REPORTED--Recently, Long An and its sister province of Svay Rieng reviewed and assessed the results of bilateral economic and cultural cooperation in the past and discussed plans of cooperation for the future and for the immediate period between now and the end of 1985. Implementing the cooperation plans, Long An has sent a large number of cadres from various sectors to Svay Rieng to help restore and develop various areas such as agriculture, local industry, water conservancy, communication and transportation, trade, public health, education, and culture. Long An has helped train more than 1,000 technical cadres and workers and built many projects such as the Vaico Dam, the Svay Rieng Wharf, the (Ta Sang) Pump Station, a lumber enterprise, a printing shop, the provincial wired-radio station, a trade store, many high-yielding ricefields, and scores of district and village roads. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 12 Sep 85 BK]

THUAN HAI-PREAH VIHEAR COOPERATION--Implementing the cooperation plan between the two localities, Thuan Hai Province recently sent 30 more technical cadres and workers to help its PRK sister Province of Preah Vihear build the two remaining projects of the provincial health center, carry out a survey on and design a city power grid, a furniture enterprise, a state store, and a cultural and information network. Earlier, Thuan Hai had sent many groups of cadres to Preah Vihear to help it build and develop its grass-roots health network, provide medical treatment for the local people, and guide them in disease prevention and control. Thuan Hai has trained two classes of medical doctors and nurses to serve the district and village health systems of Preah Vihear. The Vietnamese province has also sent to Preah Vihear complete sets of equipment for a sawmill, a wired radio station, a telephone switchboard, and a mobile film projection unit; large numbers of spare parts for rice mills and brick and tile making machines; 18 metric tons of rice and corn; and 3,400 plowshares. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 12 Sep 85 BK]

CSO: 4209/640

PARTY ACTIVITIES AND GOVERNMENT

LE DUAN ATTENDS CULTURAL, INFORMATION FUNCTION

BK131037 Hanoi Domestic Service in Vietnamese 2300 GMT 11 Sep 85

[Text] On the occasion of the 30th anniversary of the cultural sector, the Ministry of Culture recently held a cordial get-together of cultural and artistic activists and cadres of the cultural and information sector. Comrade Le Duan, general secretary of the CPV, attended and cordially talked to these activists and cadres.

On behalf of the cultural sector, Minister of Culture Nguyen Van Hieu reported to the party general secretary on efforts and achievements scored by the cultural sector during the past decades, especially since the unification of the country. Under the beacon of the party's line, since the 1943 cultural movement, and in light of various important party resolutions in each revolutionary stage, cadres of the cultural and artistic sector have always been faithful to the communist ideal. They have used culture and art as means in their struggle, consistently studied and developed initiatives, thereby effectively serving the revolutionary cause for national independence and socialism.

In recent years, the cultural and artistic mass movement has developed comprehensively. Activities regarding literature, art, cinematography, and theatrical art and so forth have improved. The contingent of cultural and artistic cadres has expanded. However, these are only initial achievements. The cultural and artistic field, in general, is not strong enough, while cultural and artistic quality is still low. The contingent of cultural cadres and material and technical bases have not met requirements of the cultural movement and revolutionary demand.

Speaking to these cultural cadres, Comrade Le Duan commended the cultural and artistic sectors for their efforts and achievements in serving the building of a new culture and new socialist men. The general secretary expounded new ideas and concepts of the Vietnamese culture and the ideological and cultural revolution. He said: The Vietnamese nation, since the era of King Hung several thousands years ago, has a unique culture with profound collective characteristics. Since the establishment of the party under the leadership of President Ho Chi Minh, the Vietnamese culture has combined the socialist collective characteristic with traditional collective characteristic. It is a culture combining socialism with

nationalism. The culture with socialist and nationalist characteristics is a culture that promotes the working people's right to collective mastery. Thanks to this culture, the party and people have closely united, thereby leading to the victory of the August revolution and victories over the French, the U.S. imperialists, and expansionist forces. The most lofty culture helps mankind become masters of society, nature, and of themselves. Implementing the principle of one for all and all for one and maintaining affection and justness are basic qualities of the new socialist men. In carrying out the ideological and cultural revolution, we must use as a basis the culture of collective mastery and the building of new socialist men. Cadres of cultural and artistic sector must engage in socialist revolutionary activities. They must be staunch combatants in carrying out the three revolutions, especially the ideological and cultural revolution, while working creatively in the artistic, scientific, and technological education tasks.

To build Vietnamese men into those who realistically love independence, freedom, socialism, who always maintain the spirit of proletarian internationalism, and who have the capability of becoming masters, we must urge all Vietnamese to work more enthusiastically, respect justice, and enhance affection among themselves.

The building of new socialist men must be applied to children. We must turn culture into the mutual asset of each individual, family and society. We must surge forward to achieve all virtue, beauty, and correctness. Our culture is very valuable; we must exploit and uphold it, while absorbing part of the good culture of fraternal countries and mankind to triumphantly build socialism.

On behalf of the cultural and artistic cadres, Minister Nguyen Van Hieu expressed the elation of those participating in the get-together and thanked the general secretary for his kind attention. He pledged that all would satisfactorily implement the valuable advice of Comrade Le Duan.

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4 October 1985

PARTY ACTIVITIES AND GOVERNMENT

VPA SENIOR GENERAL ATTENDS ORDNANCE CORPS MEETING

BK161016 Hanoi Domestic Service in Vietnamese 2300 GMT 14 Sep 85

[Text] On the afternoon of 14 September, the Technical General Department held a meeting at the Vietnamese-Soviet Friendship Workers Cultural Palace in Hanoi to mark the 40th anniversary of the Vietnamese ordnance sector's traditional day, 15 September 1945-15 September 1985.

Senior General Hoang Van Thai, member of the party Central Committee, standing member of the Military Commission of the party Central Committee, and vice defense minister, attended. Also present were representatives of various general departments and organs of the Defense Ministry; the Vietnam Confederation of Trade Unions; the Ho Chi Minh Communist Youth Union; and the various ministries, sectors, and army and state learning institutes and schools that have worked closely with the ordnance sector. Leading cadres, professors, doctors, engineers, and armed forces heroes of the ordnance sector before the August revolution, in the anti-French and anti-U.S. imperialist wars of resistance, and in the current building and defense of the socialist homeland also attended.

Major General Bui Duc Tam, deputy director of the Technical General Department, solemnly read a letter from Comrade Truong Chinh, member of the party Central Committee Political Bureau and chairman of the Council of State, to cadres, combatants, workers, and personnel of the Vietnamese ordnance sector. Comrade Nguyen Duy Thai, deputy director of the Technical General Department and former general director of the ordnance sector's first machine shops, made a speech in which he recalled the glorious traditions of the ordnance sector, a weapons production service, an organ of the Vietnamese armed forces, and a component of the Vietnamese working class led by the party and great Uncle Ho.

On behalf of the Military Commission of the party Central Committee and the Defense Ministry, Senior Gen Hoang Van Thai commended the ordnance sector's great achievements over the past 40 years. He stressed: With a contingent of tried, highly creative, and self-reliant cadres, engineers, workers, and personnel who embody the traditions of the Vietnamese working class and the character of the heroic army, the defense research institutes and factories have contributed to building a large and strong defense industry, have carried out research on and manufactured various kinds of weapons to help standardize and modernize the armed forces, and have

produced large quantities of goods for the people and for export, thereby promoting economic development, national construction, and the fulfillment of international duty. In the immediate future, the defense industry must satisfactorily implement the resolution of the Eighth Party Central Committee Plenum, improve economic management, and practice thrift, thus ensuring high efficiency in production.

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PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH'S LETTER TO ORDNANCE CORPS

BK141702 Hanoi Domestic Service in Vietnamese 2300 GMT 13 Sep 85

[Text] On 14 September, Council of State Chairman Truong Chinh sent a letter to the cadres, combatants, workers, and personnel of the Vietnamese Ordnance Corps. The text of the letter reads as follows:

Dear cadres, combatants, workers, and personnel of the Vietnamese Ordnance Corps, on the 40th anniversary of President Ho Chi Minh's signing the order to establish the Ordnance Corps of the Defense Ministry on 15 September 1945-85, on behalf of the party Central Committee, the Council of State, and the Council of Ministers I cordially convey my warm greetings to all the cadres, combatants, workers, and personnel of the Vietnamese Ordnance Corps and my best regards to the sick and wounded soldiers, the former ordnance personnel now working in other sectors or already retiring, and the dependents of fallen Ordnance Corps heroes.

In the past 40 years or so of production, construction, combat, and combat support, the cadres, combatants, workers, and personnel of the Ordnance Corps have upheld their revolutionary heroism and self-reliance to surmount all difficulties and hardships in a brave and creative manner to score outstanding achievements and make meritorious contributions to the glorious armed exploits of our armed forces during the wars of national liberation and defense. On behalf of the party, state, and people, I warmly commend the Ordnance Corps of our country for its achievements.

Dear comrades, to fulfill the requirements of national construction and defense in the new revolutionary stage, all the cadres, combatants, workers, and personnel of the Ordnance Corps must understand more thoroughly the party's political, military, and technological development lines, develop the fine character of the working class and the glorious traditions of the army, remain worthy of being Uncle Ho's soldiers, strive to learn and study to heighten your specialized knowledge, promptly fulfill the requirements of ensuring our army's good technical service, build a modern regular army and an even stronger and larger national defense industry, and contribute to developing our economy, making it increasingly prosperous.

I wish you, comrades, good health and progress.

My cordial and determined-to-win salutations to you!

[Signed] Truong Chinh

PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH LETTER ON SIGNAL CORPS ANNIVERSARY

BK121008 Hanoi Domestic Service in Vietnamese 2300 GMT 9 Sep 85

["Ext" of letter from Truong Chinh, chairman of SRV Council of State, to VPA Signal and Liaison Corps--date not given]

[Text] Dear cadres, combatants, workers, and employees of the Signal and Liaison Corps: On the 40th anniversary of the signal and liaison forces' traditional day, on behalf of the party Central Committee, the Council of State, and the Council of Ministers, I affectionately extend my warmest greetings to all the cadres, combatants, workers, and employees of the corps, and my solicitous regards to the comrade war invalids and sick soldiers, the comrades who have retired, and the families of fallen heroes of the signal and liaison forces.

Throughout their 40 years of building and fighting, the signal and liaison forces have seriously implemented the instruction by venerated and beloved President Ho Chi Minh that they must be courageous, act swiftly, overcome difficulties, and ensure timely, accurate, secret, and safe signal and liaison service. Together with the other armed branches and services of the Vietnamese People's Armed Forces, they have recorded many outstanding achievements in the wars of resistance against the French colonialists, the U.S. imperialists, and Chinese expansionism and hegemonism as well as in building their forces so as to stand ready to fight and fight victoriously. You have overcome all difficulties and hardships and have ceaselessly striven to master modern science and technology and to ensure smooth and steady communications and liaison under any circumstances, thereby proving yourselves worthy of being the heroic signal and liaison corps.

Dear comrades, developing the fine character of the working class and the glorious traditions of the army and the corps, all cadres and combatants of the signal and liaison forces must actively study to thoroughly understand the party's political and military lines; cultivate revolutionary quality and virtues; strengthen unity; enhance scientific and technical standards, fighting strength, and combat readiness; and strictly maintain discipline.

You must build the Signal and Liaison Corps into a regular, modern, highly professional technical armed branch so as to contribute to the efforts of the entire party, army, and people in successfully building socialism, firmly defending the socialist Vietnamese fatherland, and fulfilling international duties.

Affectionate and determined-to-win regards.

[Signed] Truong Chinh

CSO: 4209/640

ECONOMIC PLANNING, TRADE, AND FINANCE

NHAN DAN ON ARMED FORCES' ECONOMIC CONSTRUCTION

BK131617 Hanoi Domestic Service in Vietnamese 2300 GMT 10 Sep 85

[NHAN DAN 11 September editorial: "In Implementation of the Fifth Party Central Committee's Eighth Plenum Resolution, Productive Labor Performed by Army Forces Participating in Economic Construction Is Also Aimed at Attaining High Economic Results"]

[Text] The people's armed forces are the key forces of the all-people national defense system and, at the same time, are the important forces of the party and state on the economic and national construction front. In carrying out economic construction, the army has recorded considerable achievements in capital building, agriculture, forestry, sea fishery, and so forth. The units specializing in economic construction have stood firm in strategically important areas; and by combining economic construction with national defense and vice versa, they have performed production work and built many projects with high economic results. The units standing ready for combat, military regions, and national defense enterprises and factories have devoted a certain amount of time to exploiting all the capabilities concerning labor, land, forests, seas, supplies, raw material, and technical knowhow in order to contribute to developing the economy. The products turned out by the hands of soldiers and national defense workers directly support the life and combat activities of the armed forces and contribute to enriching the society's wealth.

On the economic construction front, army units have overcome many difficulties, improved the organization and management of production, and brought about ever greater economic results. Many units have taken the initiative in developing the strong points of the areas where they are stationed and the creative labor of their personnel to produce goods for export. Economic management has been further improved. Some units have practiced economic accounting, paid product-based wages, established labor and material wastage norms, and consequently conducted business activities at a profit.

The results scored by the army on the economic construction front reflect the spirit of self-reliance and self-strengthening and the great capability of an army that fights well while performing productive labor satisfactorily. However, our army has failed to satisfactorily bring into play many of its capabilities in the course of economic construction. Close attention has

not been paid to fully grasping the need to combine national defense with economic construction and vice versa and to actively participate in economic construction. A number of sectors and localities have failed to extend realistic coordination and assistance to the army in economic construction. The level of organizing and managing production and construction is still greatly limited in many units. The mechanism of management based on bureaucratism and subsidization also adversely affects the labor productivity and economic efficiency of production units. The material and spiritual interests of cadres and soldiers have not yet been given appropriate attention.

Standing ready for combat to defend the fatherland is the most important duty; and developing the economy and building the country constitutes a very important duty of our army. Our army has a firm basis for fulfilling the duty of economic construction entrusted by the party and state. Under the light of the fifth party Central Committee's eighth plenum resolution, all the army units participating in economic construction must, no matter where they are and what their work activities may be, strive to achieve high productivity, quality, and efficiency. It is necessary to develop the army labor force which is an important part of the people's elite work force. It is a strong force, both quantitatively and qualitatively, that consists of hundreds of thousands of young and strong workers who possess political awareness, a good cultural background, and technical knowledge, and who are closely organized under tight command and are highly disciplined. This force, if fully and rationally employed to exploit and develop economically rich regions where it is meaningful to combine economic construction with national defense--such as the central highlands, eastern Nam Bo, the northern border region, and so forth--will produce great results in the economic and national defense fields.

Concerning national defense enterprises and factories, it is necessary for them to develop their economic-technical capabilities, operate at full capacity, and make full use of supplies and raw material to produce suitable economic items of various types so as to contribute to increasing social product, placing goods and money under state control, transforming and controlling the market, and improving the living conditions of cadres, workers, and soldiers.

To develop the traditions of creative labor and effective production of the armed forces engaging in economic construction, along with intensifying education, it is necessary to renovate the mechanism of management, abolish bureaucratism and subsidization, completely shift to economic accounting and socialist business, increase labor productivity, and improve product quality and economic efficiency. Efforts must be made to overcome the tendency of engaging in production at any costs and the old concept that belittles the productive labor of soldiers.

The new mechanism of management links the laborers' interests with productivity, quality, and efficiency. Conditions must be created for

unit commanders and directors of national defense enterprises and factories to develop the spirit of collective mastery, dynamism and creativity, and the right to financial autonomy in order to exploit all existing and latent capabilities with high economic results. The assistance and cooperation extended by the various sectors and localities to army units engaging in economic construction is extremely necessary as it provides the latter with favorable conditions for procuring supplies, raw material, fuel, and capital, caring for the livelihood of cadres and soldiers, expanding economic-technical integration, and developing the army-people strength.

An appropriate part of the results gained from productive labor must be used to improve the living conditions of troops, especially those directly engaging in labor. Party and state policies must be fully implemented to ensure the interests of cadres and soldiers.

Our army is engaging in economic construction in great numbers and on a large scale; and it uses a lot of supplies, fuel, raw material, capital, and equipment. The concept of carrying out production while practicing thrift must be thoroughly understood by every cadre and soldier, especially those belonging to units that are directly engaged in economic construction. It is necessary to develop and fully employ the creative labor of cadres and soldiers to achieve ever higher economic results in the spirit of the eighth plenum resolution, to closely combine national defense with economic construction and vice versa. This is a realistic action taken by our army to contribute to accelerating the cause of building and defending the socialist fatherland.

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4 October 1985

ECONOMIC PLANNING, TRADE, AND FINANCE

HANOI REPORTS ON MONEY EXCHANGE IN PROVINCES

BK151426 Hanoi Domestic Service in Vietnamese 1430 GMT 14 Sep 85

[Text] According to VNA, implementing the state's regulation, many localities have quickly and efficiently carried out the collection and exchange of money.

In Quang Nam-Da Nang, 464 money exchange desks simultaneously opened for operations at 0600 throughout the province, including in the mountain areas. In Dang City, as of 1200 the declaration of amounts of money for exchange at 118 desks in various subwards had been officially completed. The declaration and exchange of money in the province were carried out in an orderly, disciplined manner, reflecting the joy of the working people, especially cadres, workers, and office employees. On the basis of the declarations, the steering committee for collection and exchange of money of Quang Nam-Da Nang has initially found that many production and business units have maintained a cash fund in excess of the authorized level. Such discoveries are prevalent. Some establishments have maintained a cash fund that exceeded the authorized level by 5-10 times. These findings have helped Quang Nam-Da Nang satisfactorily apply follow-up measures concerning cash management and circulation and distribution in general in implementing the resolution of the eighth party Central Committee plenum.

In Son La, at 1200, large numbers of people of various nationalities flocked to 136 money exchange desks throughout the province to complete quickly and neatly the declaration and exchange of money. In many mountain districts, after hearing the news on the radio, the people walked dozens of kilometers to declare their cash holdings. The steering committee for money collection and exchange of the province and other levels worked expeditiously and created many favorable conditions for the people to exchange money.

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ECONOMIC PLANNING, TRADE, AND FINANCE

BRIEFS

KIEN GIANG LABOR REDISTRIBUTION—Since early this year, Chau Thanh District and Rach Gia City in Kien Giang Province have sent 1,249 families, including 2,498 laborers, to build new economic zones in An Thai Village, An Bien District; Tan Hung Village, Tan Hiep District; Vinh Thai Village, Vinh Thuan District; and Tri Thong, Rach Gia City. These figures represent an 82-percent increase over the corresponding period in 1984. In previous years, owing to the lack of propaganda work and adequate investment, life and production were beset by numerous difficulties, which often prompted the new settlers to go back to the cities and towns. This year, the provincial population redistribution office has taken measures to overcome this situation. From now until this year's end, Kien Giang will strive to send another 1,100 families to build new economic zones and to receive 600 families from Nghe Tinh Province to build new homes on Phu Quoc Island. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 11 Sep 85 BK]

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AGRICULTURE

NHAN DAN EDITORIAL ON AGRICULTURAL POLICIES

BK121407 Hanoi Domestic Service in Vietnamese 2300 GMT 9 Sep 85

[NHAN DAN 10 September editorial: "Implementing the Fifth Party Central Committee's Eighth Plenum Resolution: Agricultural Policies"]

[Text] Proceeding from our party's viewpoints and lines on the development of agricultural production in the initial stage of the transition to socialism, over the past few years the party Central Committee Secretariat has issued directives on giving product contracts to groups of workers and individual workers; completing the adjustment of land allocation; accelerating the socialist transformation of agriculture in the south and the allocation of forests and forest land; growing more forests; organizing peasants along the line of combining forestry with agriculture; encouraging and guiding the development of family-based economy; continuing the socialist transformation; consolidating and intensifying socialist production relations in southern agriculture and in the mountainous and rural areas; continually developing and consolidating socialist production relations; developing the economies of maritime products, agro-forestry, saltwork, and other coastal trades; and improving management and perfecting the system of awarding finished product contracts to groups of workers and individual workers in cooperatives and production collectives.

The fifth party Central Committee's eighth plenum resolution creates conditions for the new management system to come into being. It eliminates bureaucracy and subsidies and implements socialist economic accounting and business. This will enable us to implement the party policies on agriculture, forestry, and fishery with better results.

The party Central Committee Secretariat's directives and the Council of Ministers' resolutions on agriculture materialize our party's viewpoints on socialist transformation and construction on the agro-forestry-fishery battlefield and on the building of new economic and management systems. They manifest the guidelines for developing the economy and consolidating and intensifying the production relations in various zones. They are also the party's specific policies toward the multi-element economy in the initial stage of transition to socialism.

Each of the party policies directly deals with and affects a specific aspect among the universality of agricultural aspects as a whole. In light of the fifth party Central Committee's eighth plenum resolution, the general objective of the party's specific agricultural policies that we should thoroughly understand is to determine the laboring people's collective mastery over the process of production and business and over distribution, trade, and consumption while we should always consider productivity, quality, and effectiveness as targets in developing production forces; eliminate the system of bureaucratic and subsidy-based management; completely shift to socialist economic accounting and business; and build a system of mastery at all echelons to create the integrated strength to advance agriculture.

The implementation of the party Central Committee's eighth plenum resolution, the party Central Committee's resolution on building the district level, and all of the party's agricultural policies will yield great results in many aspects and will promote the comprehensive development of agriculture.

Along with implementing uniformly these policies, the economic integration of and joint enterprises among the various sectors of agriculture, forestry, industry, fishery, and others to be established later will create favorable conditions for the development of each sector and promote the early formation of an agro-industrial structure at the grass-roots level. This will orient localities and primary installations toward implementing intensive cultivation, specialized cultivation, and general business.

We should positively exploit all the potentials in terms of labor, land, trades, and existing material and technical bases and promote the alliance among the state-owned, collective, and family economic elements and among the central, local, and grass-roots levels.

The party guideline for various localities and sectors is to implement uniformly all these policies because this is also mainly an objective requirement determined by the natural and social characteristics of our agriculture.

Tropical characteristics have diversified our agricultural production. Although each region has its own patterns of crop cultivation and animal raising depending on its land and weather characteristics, all regions can and should carry out intensive cultivation in combination with dealing generally in agriculture, forestry, fishery, industry, and other trades.

As a result of the characteristics and standard of the present socioeconomic system in our country, all regions are required to build and perfect socialist production relations in agriculture, renovate the management system, and increase the material and technical bases.

Facts in the implementation of the party's agricultural policies by various sectors and localities in the recent past show that great results in many fields have been achieved by those sectors, localities, and primary installations that know how to apply party policies uniformly and creatively to the natural, economic, and social characteristics of their localities. Their production has developed comprehensively. Socialist production relations in agriculture, forestry, fishery, and industry have been consolidated a step further. Economic integration among various elements has been established and the alliance between agro-industrial production and distribution and circulation has begun to take shape.

The responsibility for uniformly implementing the party's agricultural policies rests with the authorities of all echelons, sectors, and localities and of all primary agricultural production installations, including those at the district level. Districts hold the great role and capacity as a favorable area in which to implement uniformly the party's agricultural policies, bringing these policies to bear on the promotion and comprehensive development of agricultural production.

CSO: 4209/640

AGRICULTURE

ELECTRIC POWER DIVERTED TO HELP FIGHT WATERLOGGING

BK141212 Hanoi Domestic Service in Vietnamese 2300 GMT 13 Sep 85

[Text] Since 13 September the Power Generating Corporation No 1 of the Ministry of Power has supplied 70,000 kilowatts of electricity--an increase of 25,000-30,000 kilowatts compared with normal supply--to various localities to help them fight the current waterlogging. Of this amount, 12,000 kilowatts has been supplied on a 24-hour basis, especially to various water pumping stations at key areas, while the rest has been supplied on a 20-hour a day basis.

The water conservancy sector reported that on 12 September 298,000 hectares of 10th-month rice were submerged in provinces of the Red River delta, of which 146,000 hectares were heavily damaged. To spare electric power to help localities fight waterlogging, the electric power sector has decided to cut off its electricity supply to industrial establishments of categories 1, 2, and 3; reduce its supply to targeted households; and limit supply to other daily activities to a minimum rate.

On 12 September Hanoi cut its power supply to various people's daily activities in order to save electric power for supplying to water pumping stations to fight the waterlogging. The Northern Power Generating Corporation is faced with difficulties, especially a fuel problem. The recent rains and flash floods submerged coal storages and caused difficulty in transporting coal to various electric power stations. The material supply sector, communications and transportation sector, and Hai Hung Province have made great efforts in supplying fuel to the Pha Lai electric power plant. Various electric relay units of the Ministry of Power, the Power Generating Corporation No 1, and other electric power stations have coordinated with the authorities of various provinces, districts, and villages to promptly supply more electric power to various water pumping stations in localities.

The communications and transportation sector, the material supply sector, and the electric power sector in assigning many groups of cadres, using many means of transportation, and taking various urgent measures to supply sufficient fuel to various electric power stations. The electric power sector expects that with this help, in the next few days, the problem of fuel will be solved and that the electric power output will be increased. The increase of electric power will help the agricultural sector effectively fight waterlogging and save the 10th-month rice.

AGRICULTURE

BRIEFS

PHAM VAN DONG LAUDS PROVINCES' GRAIN PROCUREMENT--According to Ministry food reports, as of 31 July, the deadline of grain procurement work for the 1984 10th-month crop and 1985 winter-spring crop, Dong Thap, Long An, and Song Be Provinces had overfulfilled the grain procurement quotas allocated by the central government. The chairman of the Council of Ministers has commended the cadres and people of the three provinces for their achievements and hoped that the localities will continue to satisfactorily carry out their grain procurement task for the summer-fall crop, overfulfill their quotas in delivering grain to the central government, and take good care and protect the 1985 rice crop, thereby contributing to the entire country's efforts to overcome difficulties regarding grain supplies. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 9 Sep 85 BK]

SONG BE RUBBER FARMS--According to the TUAN BAO CAO SU VIETNAM [Vietnam Rubber Weekly--FBIS], during the first 6 months of 1985, Ho Chi Minh City has sent more than 1,800 families--including more than 4,000 laborers and nearly 7,700 dependents--from the 1st, 3d, 4th, 5th, 8th, and 10th and Binh Thanh, Co Vap, No Mon, and Thu Duc precincts to Song Be Province to build rubber farms. Despite the many difficulties regarding supplies and capital, the Binh Long, Loc Ninh, Phuoc Hoa, Dau Tieng, Dong Phu, and Phu Rieng rubber corporations have made considerable efforts to build dwelling houses and stabilize living conditions to help the new settlers promote Ho Chi Minh City to confidently devote themselves to production work and building a new life. The precincts and districts in Ho Chi Minh City have also overcome their own difficulties to lend money to these corporations for use in building living quarters for workers. In addition, they have paid frequent visits and sent staples commodities for sale to the workers. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 3 Sep 85 BK]

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TRANSPORTATION AND COMMUNICATIONS

NHAN DAN MARKS SIGNAL CORPS 40TH ANNIVERSARY

BK121047 Hanoi Domestic Service in Vietnamese 2300 GMT 8 Sep 85

[9 September NHAN DAN editorial: "Heroic Signal Corps"]

[Text] Today the Signal Corps is 40 years old. During its 40 years of building and combat, the Signal Corps has scored glorious achievements for our Army. This has been a very difficult and arduous period, but under the leadership of the party and esteemed President Ho Chi Minh, officers and combatants of the Signal Corps have achieved great military exploits; fulfilled their tasks outstandingly; and ensured prompt, safe, and accurate services in the signals and liaison field, thereby turning their corps into a heroic branch of the glorious VPA.

Starting from the first signals and liaison organization of the party, the Signal Corps has strengthened and has reached maturity along with the VPA. It was one of the first technical corps with command functions and leadership over various echelons of the Armed Forces. Since the corps' early days and under conditions of difficulty and shortage, its officers and combatants, with their warm love for the nation, have worked selflessly in establishing radio networks from the central to the various battlegrounds. On 9 September 1945, the first messages were sent from northern to southern Vietnam, thereby promptly helping the party and the young revolutionary administration firmly grasp the situation and effectively supervise the armed forces throughout the country. Since then, the Signal Corps has fixed 9 September as its traditional holiday.

During the resistance war against the French colonialists, despite poor material and technical bases and a small number of technical cadres, the Signal Corps heightened its spirit of self-reliance and gradually surged forward to ensure a thorough signal and liaison network between battle-grounds and units, thereby positively contributing to the Viet Bac victory in the winter and spring of 1947 and victories of various campaigns during the 1950-53 period, especially the historic victory of Dien Bien Phu.

During the anti-U.S. resistance war for national salvation, the Signal Corps made remarkable progress in organization, leadership, construction, and improving techniques and equipment, thereby contributing, together with the Army and people throughout the country, to defeating the U.S. air and naval war of destruction in the north and totally liberating the south in the spring 1975 great victory.

In their national construction and defense task, the officers and combatants of the Signal Corps, using all available facilities and equipment, have firmly maintained communications in protecting the airspace, territorial waters, border areas, islands, and the mainland of the fatherland. They have also carried out internationalist obligation tasks. The Signal Corps has achieved outstanding military exploits at the southwest border area, helping the fraternal PRK people and Armed Forces eliminate the genocidal Pol Pot regime.

In the struggle against the Chinese expansionists-hegemonist's war of aggression at the six northern border provinces, the signal combatants, together with the Armed Forces, have fought gallantly and held fast to their strongholds, thereby satisfactorily ensuring the signals and liaison task and upholding the revolutionary heroism in the new stage.

As members of the technical branch, officers and combatants of the Signal Corps have diligently studied, conducted research, developed initiatives, consistently surged forward to become masters of scientific and technological advances, improved management, and effectively used the vast and modern communications network. At various factories and workshops of the communications sector, officers and technicians of the corps have applied innovations and promptly repaired much technical equipment, improved assembly work, and successfully produced much wireless and wired equipment using local components and materials and meeting technical standards.

Combining the national defense task with the economic development task, officers and combatants of the corps have enthusiastically and positively developed initiatives and improved techniques of their tasks, thereby satisfactorily helping fulfill the grain and food production plan norms as well as plan norms of other products serving the economy, while contributing to firmly maintaining and improving the people's daily life and strengthening national construction.

Undergoing 40 years of combat and construction, the Signal Corps has reached maturity and has scored many glorious achievements. President Ho Chi Minh once commended the corps for its bravery and promptness in overcoming difficulties and firmly maintaining the signal and liaison task, thereby satisfactorily ensuring success for combat and other general tasks. This has profoundly manifested the fine character and tradition of heroism of the Signal Corps. This is a crystallization of the fine revolutionary ethics of all officers and combatants of the corps. It is a realistic and lively manifestation of the glorious tradition of our Army.

Our entire party and people throughout the country today convey their warm love and sentiment to the officers and combatants of the heroic Signal Corps, brave sons of the nation, who under all circumstances have always heightened their spirit of sacrificing their lives to save all communications lines. We wish these officers and combatants more success in heightening the revolutionary heroism in the new stage, in ensuring the quality of the signal and liaison task, and in strengthening the economic developing program, thereby positively contributing to carrying out combat, combat readiness, and other tasks.

With realistic revolutionary acts, the heroic Signal Corps, together with the Army and people throughout the country, will seriously implement party General Secretary Le Duan's directive mentioned at the solemn ceremony to mark the 40th anniversary of the August Revolution and 2 September National Day, affirm their willpower to do their best in protecting the fatherland's territory, which many generations had sacrificed their lives to defend, and will use their optimal energy and capability to make our country more prosperous and beautiful to fulfill the wish of the great President Ho Chi Minh and the aspirations of the Vietnamese people throughout the country.

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4 October 1985

TRANSPORTATION AND COMMUNICATIONS

VPA SIGNAL CORPS COMMANDER ON ANNIVERSARY

BK121113 Hanoi Domestic Service in Vietnamese 2330 GMT 8 Sep 85

[Statement by Hoang Niem, commander of the VPA Signal Corps, marking the corps' 40th founding anniversary; date not given--recorded]

[Text] Our entire party, people, and Army have just jubilantly celebrated the 40th national day on 2 September. The signal and liaison forces are now enthusiastically and proudly celebrating the 40th founding anniversary of their corps--9 September 1945-9 September 1985. Immediately following the success of the August Revolution and the birth of the Democratic Republic of Vietnam, faced with the need for unified command over the Armed Forces to protect the revolutionary administration and counter both internal and external enemies, the Ministry of National Defense on 9 September 1945 decided to set up the Army Signal and Liaison Office and organize the first military communications and liaison network. That was a memorable date in the history of the signal and liaison forces--the founding day of the VPA's first technical corps.

During the two wars of resistance replete with sacrifices, difficulties, and hardship, having to confront aggressive professional armies that were numerically strong and had modern equipment, the signal corpsmen were entrusted with very important tasks designed to ensure the combat activities of the Armed Forces. Upholding revolutionary heroism and fighting while building, they continuously took an offensive stand, mastered science and technology, and ensured communications in the service of leadership, command, and combat activities, thereby making a glorious contribution to the resounding victories of our entire people and Army.

These years and months of valiant combat witnessed many events that will shine forever in the history of the signals and liaison forces. They include the counterattack against the strategic B-52 raid launched by the U.S. imperialists against the capital, Hanoi, and a number of large cities in the north during 12 days and nights late in 1972. The signal and liaison forces fought in close combat coordination and satisfactorily set up a communications and alert system. It accurately reported enemy targets and called timely alerts, thus effectively helping our antiaircraft gunners, aircraft, and missile units fight victoriously. The forces also assisted in passive defense and evacuation, contributing to protecting the people's

lives and property and maintaining their normal activities. Another event was the decisive strategic battle in the spring of 1975, which brought to an end our people's anti-U.S. war of resistance for national salvation. In these historic offensives and uprisings, the signal and liaison corps effectively supported our command, attack, and defense activities; our small-, medium-, and large-scale combat operations; and our reconnaissance and sapper forces' deep thrusts behind the enemy's lines. It also ensured favorable conditions for the conduct of our political and diplomatic struggles. It was a most turbulent period that brought into the fullest play the zeal, knowledge, and talent of the signal and liaison forces.

Ten years have elapsed since the country was completely liberated. Proceeding from the signal and liaison system set up to support the war of liberation, the signal and liaison forces have actively shifted to building and consolidating a new signal and liaison network designed to serve the cause of national construction and defense. When the reactionaries among the Chinese leadership provoked the wars at our southwestern and northern borders, the signal and liaison corps supported our Armed Forces in maintaining combat readiness and successfully conducting combat operations.

After 40 years of building and fighting, the signal and liaison forces have achieved maturity and have successfully fulfilled their tasks, thereby proving themselves worthy of the venerated and beloved President Ho Chi Minh's commendation: The corps has displayed courage and swiftness; have overcome difficulties and promoted unity and coordination; and has ensured a timely, accurate, secret, and safe signal and liaison service, thereby satisfactorily supporting combat and general activities.

Thousands of signal and liaison cadres and combatants have been awarded high orders; 32 units and 31 cadres and combatants have been honored with the title Hero of the People's Armed Forces; and the entire corps has received the title Heroic Armed Branch, the Military Exploit Order First Class, and the coveted Ho Chi Minh Order.

The signal and liaison forces deeply understand that their achievements and exploits were the results of the thoughtful leadership, education, and care of the CPV and of the great President Ho Chi Minh. In the process of their fighting and building, the signal and liaison forces have enjoyed the wholehearted affection, protection, and assistance of the entire people, of various party organs and local administrations throughout the country, and of the posts and telegraph sector, and have benefited from the close solidarity and coordination in combat of various units in the entire Army for the sake of common victory. Their achievements and exploits have also been the fruit of the great and effective assistance of the Soviet Union and other fraternal socialist countries.

On the occasion of the 40th anniversary of the signal and liaison corps' traditional day, May 1, on behalf of all the signal cadres and combatants,

express boundless gratitude to the party and the venerated and beloved Uncle Ho; to the people, party organs, and local administrations; to all friendly units; and to the fraternal countries for their wholehearted affection, care, education, and assistance to the Signal Corps in fighting and building.

At present, the revolution in our country has entered a new stage. As a consequence, the signal and liaison forces have to shoulder very weighty and glorious tasks. An urgent requirement is that the corps concentrate its efforts on enhancing its fighting strength, its combat readiness, and the quality of signal and liaison service and building itself into a revolutionary, regular, modern, and highly skilled force to support effectively combat command activities, the maintenance of the combat readiness of the entire Army, the maintenance of public order and security, and other general tasks. At the same time, the corps must fulfill its internationalist duty.

To meet this requirement, the signal and liaison troops were and are urgently strengthening their organizations and building their forces to enhance the organizational and command capabilities of their cadres and the working capacity and discipline of their cadres and combatants. Each unit, cadre, and combatant of the Signal Corps must constantly uphold vigilance, stand combat ready, have good technical skills, outstandingly fulfill all tasks, take the initiative in promoting unity and close coordination between military and civilian communications, bring into full play the aggregate strength of the people's communications and local communications services, and at the same time build firm and strong mobile signal forces.

Fully imbued with the spirit of the resolution of the eighth party Central Committee plenum, each national defense unit, cadre, combatant, worker, and employee must promote his sense of socialist collective mastery and his initiative and creativity; ceaselessly enhance productivity, quality, and efficiency in all combat, official work, training, production, and life organization activities; increase the corps' fighting strength; and make practical contributions to economic building and national construction. Simultaneously, each one must continue to fulfill satisfactorily his internationalist duty toward the signal and liaison forces of the fraternal Lao and PRK Armies and promote close unity and coordination with the signal and liaison forces of the Soviet Union and other socialist countries.

To celebrate the 40th anniversary of their glorious traditional day practically, the signal and liaison forces are resolved to develop the fine character and traditions of the Army and their corps, build the corps into an armed branch that is firm and strong in all respects, and strive to fulfill all tasks in the new revolutionary stage successfully thereby proving themselves worthy of the leadership and education of the party and the venerated and beloved President Ho, the care and affection of the people, and the wholehearted assistance of friendly units in the entire Army.

HEALTH, EDUCATION, AND WELFARE

BRIEFS

HA NAM NINH FLOOD CONTROL--According to a Voice of Vietnam correspondent based in Ha Nam Ninh Province, the water level of Hoang Long River has risen above alert level 3--that is, 1.5 meters. The local Army and people have made many efforts to protect dikes and prevent flash floods. But because of excessively heavy rain, water has overflowed many parts of the dikes, causing flooding in 24 villages and submerging all the 10th-month rice area of Hoang Long District and part of Van Dien District. Owing to the active implementation of flood and typhoon control plans, public property has been successfully protected and people evacuated to safe areas. [Excerpt] [Hanoi Domestic Service in Vietnamese 1430 GMT 12 Sep 85 BK]

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